



REPUBLIC OF CYPRUS

---

MINISTRY OF COMMUNICATIONS AND WORKS  
DEPARTMENT OF ELECTRONIC COMMUNICATIONS

---

**Disclaimer: This is an unofficial Greek to English translation meant to facilitate the understanding of the provisions of the Contest Documents. Should differences appear between the Greek version and the English version, following translation, the Greek version is considered to be the only original and will prevail.**

## **CONTEST DOCUMENTS**

### **OBJECT OF CONTEST**

**Auction for the Grant of Individual Right of Use of Radio Frequencies in the Bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network for the Provision of Electronic Communications Services**

**(Reference Code: THE Δ1/2013)**

---

This paper does not constitute legal, commercial or technical advice

---

Nicosia, 31 May 2013

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS.....</b>	<b>2</b>
<b>PART I – SUBMISSION OF APPLICATIONS.....</b>	<b>4</b>
1. Invitation to Submit Applications.....	4
2. Application Form - Deed Acknowledgement.....	5
3. Content and Signing of the Applications.....	6
4. Application Envelope- Submission of Applications.....	7
5. Deadline for the Submission of Applications- Deadline Extension.....	8
6. Period of Validity of Applications.....	9
7. Amendment and Withdrawal of Applications.....	9
8. Clarifications Relating to the Contest Documents.....	10
9. Amendment of Contest Documents.....	11
10. Rights of the Director.....	11
11. Costs and Expenses of Submission of an Application.....	12
12. Participation Guarantee.....	12
13. Persons who Have Received the Contest Documents.....	14
<b>PART II – POLICY AND REGULATION FRAMEWORK.....</b>	<b>15</b>
14. Radio Spectrum.....	15
15. Provisions and Technical Requirements.....	16
16. Future Authorisations.....	20
17. Office of the Commissioner of Electronic Communications and Postal Regulation.....	20
18. Territory for the Exercise of the Right and Duration of the Radiocommunications Authorization.....	22
19. Geographical Coverage Obligations.....	22
20. Access Speed Obligations.....	23
21. Reserved Price.....	23
22. Development of Radiocommunications Stations - Exposure to Electromagnetic Fields.....	23
<b>PART III – EVALUATION OF APPLICATIONS AND APPLICANTS.....</b>	<b>25</b>
23. Opening of Applications.....	25
24. Evaluation of Applications.....	25
25. Participation Criteria.....	26
26. Selection Criteria.....	27
<b>PART IV – AUCTION (BIDDING PROCESS).....</b>	<b>30</b>
27. Conduct of the Auction process.....	30
28. The Bidding Process (General Framework).....	30
29. Not applicable.....	31
30. Starting Price.....	31

<b>PART V – RADIOCOMMUNICATIONS AUTHORIZATION.....</b>	<b>32</b>
31. Provisional Winner.....	32
32. The Post Auction Requirements.....	32
33. Method of Determination and Payment of the Authorization Fee.....	33
34. Radiocommunications Authorization Terms and Conditions.....	34
35. Issuance of the Radiocommunications Authorization.....	43
<b>PART VI – APPENDICES.....</b>	<b>44</b>
APPENDIX 1.....	45
APPENDIX 2.....	47
APPENDIX 3.....	52
APPENDIX 4.....	53
APPENDIX 5.....	55
APPENDIX 6.....	57
APPENDIX 7.....	59
APPENDIX 8.....	60
APPENDIX 9.....	61
APPENDIX 10.....	62

## **PART I – SUBMISSION OF APPLICATIONS**

### **1. Invitation to Submit Applications**

**1.1** In accordance with the provisions of article 24 (closed contest) of the Radiocommunications Laws of 2002, as amended, and the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, the Director of the Department of Electronic Communications (DEC) of the Ministry of Communications and Works (MCW), hereinafter referred to as “the Director”, invites the submission of applications from interested parties to participate in a contest with reference code THE Δ1/2013, hereinafter referred to as the “Contest”, which aims at the grant of one (1) individual right of use of radio frequencies, hereinafter referred to as “the Radiocommunications Authorization”, authorizing the use of radio frequencies for the establishment and operation of an electronic communications network for the provision of electronic communications services in Cyprus.

**1.2** The procedure for the grant of the above mentioned Radiocommunications Authorization includes:

- (a) the submission of applications;
- (b) the evaluation of applications in order to choose the applicants (qualified bidders) that will participate in the auction;
- (c) the auction (i.e. the procedures for the submission of the bids);
- (d) the satisfaction of the post auction requirements;
- (e) the grant of the Radiocommunications Authorization.

**1.3** The present document specifies the criteria that someone must fulfill in order to have the right to submit an application (the participation criteria), the criteria which applicants (selection criteria) must fulfill in order to become qualified bidders having the right to participate in the auction, the general framework of conducting the auction, the post auction requirements, the policy framework and the regulation framework, as well as the terms and conditions governing the Radiocommunications Authorization.

**1.4** Before the start of the auction, a Bidders’ Package will be issued with detailed instructions and full description of the rules concerning the submission of bids (financial

offers), as well as the provisions concerning the breach of the auction rules and the imposition of relevant penalties. Qualified bidders will attend an informational seminar and a mock auction before the start of the formal procedure in order to properly familiarize themselves with the process.

**1.5** It is recommended that applicants familiarize themselves with the document entitled: “Public consultation document for the grant of new rights of use of radio frequencies in the bands 800MHz, 900MHz, 1800MHz, 2100MHz, and 2500MHz, for the establishment and operation of electronic communication network/s for the provision of electronic communications and on the amendment of the existing rights of use of radio frequencies (MTN and Cyta) in the bands 900MHz, 1800MHz and 2100MHz”. In case of a difference between the above-mentioned document and this document, the present document shall prevail.

**1.6** Applicants are urged to familiarize themselves with the relevant Laws, Regulations and Orders in force in the Republic of Cyprus, and mainly the provisions of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, on which the present Contest is based, as well as the content of the Director’s Notification with reference No THE 2/2013 (APPENDIX 1). All the relevant documents are available from the DEC website at [www.mcw.gov.cy/dec](http://www.mcw.gov.cy/dec).

**1.7** The contact information of the Director is the following:

Mr: George Komodromos

Acting Director Department of Electronic Communications

Ministry of Communications and Works

Department of Electronic Communications Address: 286 Strovolos Avenue, 2048 Strovolos

Mailing Address: PO Box 24647, 1302 Nicosia

Telephone: +357 22814854

Fax: +357 22321925

E-mail: [gkomodromos@mcw.gov.cy](mailto:gkomodromos@mcw.gov.cy)

Website: [www.mcw.gov.cy/dec](http://www.mcw.gov.cy/dec)

## **2. Application Form - Deed Acknowledgement**

**2.1** Applicants wishing to participate in the Contest must complete the form entitled: “Application to Participate in the Contest THE Δ1/2013 for the Grant of a

Radiocommunications Authorization” (APPENDIX 2). This form contains the information which is necessary for the auction process, including identification of the authorized representatives, as well as the designated bidders who will be entitled to enter the auction room and place bids on behalf of the applicant. Furthermore, the said form, inter alia, includes a clause prohibiting collusions among applicants, and/or their authorized representatives and/or designated bidders, and assurances about acceptance of the reserve price and the relevant provisions regarding the participation guarantee and the period of validity of the application. Applicants are cautioned that any form of collusion or submission of false or inaccurate declarations, or incomplete statements, constitute fraud and inter alia could lead to cancellation of their participation, their exclusion from the auction, cancellation of all their bids, the forfeiture of their bid guarantee and /or the taking legal action against them.

**2.2** Applicants wishing to participate in the Contest or their authorized representatives must also sign the form entitled “Deed of Acknowledgement of Contest THE Δ1/2013” (APPENDIX 3). Signing this form indicates that the applicant agrees to comply with the terms and conditions under which the auction procedure is conducted.

### **3. Content and Signing of the Applications**

**3.1** Applicants wishing to participate in the Contest must complete and submit three (3) copies (one original and 2 copies) of all the following forms:

- (a) The form entitled: “Application form for participation in the Contest THE Δ1/2013 for the Grant of a Radiocommunications Authorization (APPENDIX 2).
- (b) The form entitled: “Deed of Acknowledgment of Contest THE Δ1/2013” (APPENDIX 3), as Appendix A, to the above Application Form.
- (c) the form entitled “ Participation Guarantee for Contest THE Δ1/2013” (APPENDIX 6) as Appendix B, in the above Application Form.
- (d) The form entitled “Statement of Ownership and Control” (APPENDIX 7) as Appendix C, in the above Application Form.
- (e) The form entitled “Declaration on Illegal Activation in the Occupied Areas of Cyprus” (APPENDIX 8) as Appendix D to the above Application Form.
- (f) The business plan and the form entitled “Declaration on Financing Activities” (APPENDIX 9) as Appendix E to the above Application Form.

- (g) The form entitled “Declaration on the Experience and Expertise” (APPENDIX 10), as Appendix F to the above Application Form.
- (h) The written confirmation of the Director or his representative referred to in paragraph 13, as Appendix G to the above Application Form.

One of the three (3) copies will be designated as the original. In case of difference among the three (3) copies, the original shall prevail and if no copy is declared as the original then the one to be chosen by the Director shall prevail.

**3.2** The originals of all the documents mentioned in paragraph 3.1 shall be printed or typed, signed by the applicant or his authorized representative. In case one of the documents which must be signed, in accordance with the provisions of the Contest Documents is not signed by the applicant or his authorized representative, the application shall be rejected and not evaluated.

**3.3** The application form (APPENDIX 2), the deed acknowledgment (APPENDIX 3), the participation guarantee (APPENDIX 6), the statement of ownership and control (APPENDIX 7), the declaration on illegal activation in the occupied areas (APPENDIX 8), the declaration on financing activities (APPENDIX 9), the declaration on the experience and expertise (APPENDIX 10) shall be prepared and submitted in the Greek language. All the other necessary documents, i.e. the supporting documents or certificates and the business plan may be submitted either in Greek or in English. In case the originals of certain documents or certificates (of those documents that may be submitted either in the Greek or the English language) are not in the Greek or the English language, applicants are required to submit these documents or certificates in their original language together with certified translations in the Greek or the English language.

#### **4. Application Envelope- Submission of Applications**

**4.1** The documents of each application shall be submitted in one (1) sealed envelope<sup>1</sup>, which must be clearly marked with the word “Application”, the object of the Contest (as written on the title page of the present document) the reference code of the Contest procedure (as written on the title page of the present document), the deadline for submission of applications (as mentioned in paragraph 5.1 of the present document) and the details of the applicant or his authorized representative. The said sealed envelope shall be enclosed in a

---

<sup>1</sup> Inner Envelope.

second sealed envelope<sup>2</sup> clearly marked with the object of the Contest and addressed to:

The Director of the Department of Electronic Communications

Department of Electronic Communications

Address: 286 Strovolos Avenue, 2048 Strovolos, CYPRUS.

**4.2** The applications shall be submitted to the Director by being deposited in the Tender Box of the Department of Electronic Communications (286 Strovolos Avenue, 2048 Strovolos, CYPRUS). Applicants should ensure that their applications are received before the closing date for the submission of applications mentioned in paragraph 5.1. In the event that applications are oversized and they do not fit in the Tender Box of the Department of Electronic Communications, they must be delivered to the Director who will keep them in a secure place.

## **5. Deadline for the Submission of Applications- Deadline Extension**

**5.1** Applications must be received by the Director

(a) not later than 24 July 2013 at 11.00 a.m., or

(b) in case the said deadline is extended by the Director, with a notification published in the Official Gazette of the Republic, not later than the new date and time set by the Director.

**5.2** If an application is submitted late, subject to paragraph 5.1, it is rejected and not evaluated.

**5.3** The Director at his discretion may extend the deadline for the submission of applications under the provisions of Regulation 14 of the Radiocommunications (Contest and Negotiation Procedures) Regulations of 2002, as amended, with or without amending the remaining terms of the Contest. The said extension of the deadline is communicated in writing, by post, or fax, or electronic mail, to every person who has received the Contest Documents. The extension of the deadline shall also be published in the Official Gazette of the Republic.

---

<sup>2</sup> Outer Envelope.



## **6. Period of Validity of Applications**

**6.1** Applications shall remain valid for a period of eight (8) months after the deadline set for their submission, i.e. until 24 March 2014 and in the event that such deadline is extended, under the provisions of paragraph 5, the applications shall remain valid for a period of eight months after the expiry of the said deadline. No application shall be considered, which, according to the wording thereof, or of any other document accompanying it, purports to remain valid for a period of time which is shorter than the above periods. Such application shall be rejected and not evaluated.

**6.2** The Director has the right in any event, at any time before the grant of the Radiocommunications Authorisation, and irrespective of whether the deadline for submission of applications has been extended or not, to request the applicants<sup>3</sup> to extend the period of validity of their applications, for a period not longer than six (6) months, by written notice to all applicants through the post or by fax or electronic mail. A corresponding extension shall be requested for the extension of the validity of participation guarantee mentioned in paragraph 12. In the present case, applicants shall have to give their consent in writing concerning the extension of the validity of their application as requested by the Director, together with a revised or a new participation guarantee. In case of failure to do so, their application shall be rejected, all their auction bids shall become null and void and their participation guarantee shall be returned. It is understood, that in case of such an extension, no other amendment of the submitted documentation is permitted.

## **7. Amendment and Withdrawal of Applications**

**7.1** An Applicant may without incurring any penalty:

- (a) Amend his application after its submission only in accordance with Regulation 17(2) of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, or
- (b) amend or withdraw his application after its submission and prior to the expiry of the deadline, by a written notice to the Director, which must be received prior to the expiry of the deadline for the submission of applications. Any such written notice of amendment or withdrawal of the application must be submitted in a sealed envelope, the contents of which must be easily recognizable and must be marked with the

---

<sup>3</sup> Applicants who have been rejected, or excluded, or expelled shall not be requested to extend the period of their applications.

phrase “Notice of Amendment/Withdrawal of the Application”, the object of the Contest, the reference code of the Contest, the deadline for submission of applications (as specified in paragraph 5.1), and the details of the applicant or his authorized representative. The said sealed envelope must be enclosed in a second sealed envelope clearly marked with the object of the Contest and addressed to the Director in the manner specified in paragraph 4.

**7.2** Any request about amendment or withdrawal of an application submitted to the Director, after the expiry of the deadline mentioned in paragraph 5.1, shall not be considered.

**7.3** Subject to the provisions of paragraph 24.4, an application which after the expiry of the deadline for the submission of applications is amended in a different manner than the one prescribed in paragraph 7.1(a) shall be rejected and not evaluated.

**7.4** The participation guarantee given in respect of an application which is withdrawn after the expiry of the deadline for the submission of applications, while it is still valid, shall be forfeited.

## **8. Clarifications Relating to the Contest Documents**

**8.1** Every person who has received the Contest Documents (under paragraph 13) may request clarifications from the Director on the Contest Documents by letter sent through the post or by fax or e-mail (at the contact address given in paragraph 1.7.) Clarification requests must be received by the Director at least twenty five (25) days prior to the deadline set for the submission of applications (see paragraph 5.1), as otherwise they may not be answered.

**8.2** Replies to the questions posed under paragraph 8.1 shall be communicated in writing, by fax, or e-mail, not only to the persons who requested clarifications but also to all persons who have received the Contest Documents, at the latest fifteen (15) days prior the expiry of the deadline set for the submission of applications. Such clarifications/replies shall also be delivered together with the Contest Documents to all persons who obtain such documents after the date of the communication of the said clarifications/replies.

**8.3** The replies to questions given under paragraph 8.2 shall be binding on all persons who have received the Contest Documents.

**8.4** Any communication exchanged with the Director, whether in writing or orally or in any manner whatsoever, other than a communication as specified in paragraphs 8.1 and 8.2

shall not be binding on the Director.

## **9. Amendment of Contest Documents**

**9.1** The Director may amend the Contest Documents in accordance with Regulation 13 of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended. Any such amendment or amendments shall be communicated in writing, by letter or fax only to the persons who have received the Contest Documents, and shall be binding on those persons. The amendment or amendments shall be delivered with the rest of the Contest Documents, to all persons who receive such Documents after the date of the decision to amend and shall be binding on these persons too.

**9.2** The Director may, at his discretion, extend the deadline set for submission of applications, in accordance with the provisions of paragraph 5.1 so as to afford reasonable time to prospective applicants to take into account the amendments, in preparing their applications.

## **10. Rights of the Director**

**10.1** The Director may, subject to the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, and mainly Regulations 25 and 26, as amended, without incurring any liability towards the affected applicants, do any of the following:

- (a) select the applicants whose applications meet the provisions of this document and who are deemed suitable to take part in the auction;
- (b) reject any application, which in his discretion, presents a material deviation or substantial ambiguity in relation to the terms and provisions of this document;
- (c) proceed to a negotiation procedure, in accordance with Regulation 25(6)(a);
- (d) reduce the number of Radiocommunications Authorizations to be granted under Regulation 25(6)(b);
- (e) decide on the applicant to whom he intends to grant the Radiocommunications Authorization (provisional winner), provided that it shall satisfy all the post auction requirements;
- (f) decide on the applicant to whom he will grant the Radiocommunications Authorization, after deciding whether he has satisfied the post auction requirements;

- (g) act in accordance with the terms and provisions of the Bidder Package (see section 1.4);
- (h) exclude (expel) applicants at any stage of the Contest, with the bids of these applicants being invalidated at the same time;
- (i) forfeit the participation guarantee;
- (j) cancel the Contest.

In such case, the Director shall notify in writing the affected applicants.

## **11. Costs and Expenses of Submission of an Application**

**11.1** Applicants shall bear all costs and expenses entailed in the preparation and submission of their application. The Director shall not be liable for any such costs and expenses, irrespective of the outcome and/or conduct or not of the Contest and/or the consequences ensuing as a result of the exercise by the Director of his rights under paragraph 10.

## **12. Participation Guarantee**

**12.1** A participation guarantee payable to the Director of the Department of Electronic Communications is required in order to ensure the commitment of the applicants. The participation guarantee, which is one of the eligibility requirements for participation in the contest, must be submitted as specified in paragraph 3 of the present document.

**12.2** The amount of the participation guarantee, has been set at €700.000 (seven hundred thousand Euros), and is to be paid at the time of application. Applicants are cautioned not to view the participation guarantee amount as having some relation to the value of the Radiocommunications Authorization, as this will ensue as a result of the auction.

**12.3** The participation guarantee must:

- (a) be a bank guarantee issued by a credit institution<sup>4</sup> operating lawfully in Cyprus, or any other member state of the European Union (EU) or the European Economic Area (EEA) or a third country which has signed and ratified the Government Procurement Agreement (GPA) or another country which has signed and ratified

---

<sup>4</sup> The credit institution has the same meaning given to the term by the Banking Business Law of 1997, as amended or replaced.

the association agreements, or bilateral agreements with the EU or with the Republic of Cyprus and has, in accordance with the laws of these countries, the right to issue such bank guarantees,

- (b) be prepared according to the template in APPENDIX 6, be irrevocable, on first demand and include a declaration of the bank providing the guarantee that it will be liable as principal debtor, a declaration regarding the bank's waiver of all objections, as well as a declaration for payment that it forfeits in favor of the Director and
- (c) remain in force for a period of nine (9) months after the deadline set for its submission, i.e. until 24 April 2014, or in case the deadline is extended, under the provisions of paragraph 5, the participation guarantee shall remain in force for a period of nine (9) months after the expiry of the extension of the deadline.

**12.4** A bank guarantee submitted as participation guarantee which does not comply with the provisions of paragraph 12 shall be rejected and the applicants who submitted such non-compliant bank guarantee shall be disqualified.

**12.5** Should any provisional winner not submit the required Radiocommunications Authorization fee, prescribed in paragraph 33 and in the manner specified in paragraph 33, or fails to satisfy the post auction requirements mentioned in paragraph 32.1, or otherwise withdraw from the auction, or is expelled from auction, the participation guarantee referred to in paragraph 12.2 shall be forfeited to the Republic of Cyprus.

Should any qualified bidder not accept the reserve price, or otherwise withdraw from the auction, or is excluded or expelled from the Contest, the amount of the participation guarantee specified in paragraph 12.2 shall be forfeited to the Republic of Cyprus.

Should any applicant, at any stage of the Contest, after the expiry of the deadline for the submission of applications as specified in paragraph 5.1., withdraw its application, while it is in force, or omits or refuses to comply with it, or has not satisfied any other provision of the Contest Documents, or the Bidder's Package (see paragraph 1.4) in respect of which forfeiture of the participation guarantee is allowed, the Director shall consider that as a result of this the government sustained damage and the participation guarantee referred to in paragraph 12.2 shall be forfeited to the Republic.

**12.6** If for any reason, under paragraph 12.5, any applicant whose participation guarantee

has been forfeited, shall be excluded (expelled) from the Contest and all his bids are cancelled.

**12.7** Subject to the other provisions of this document and the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, the participation guarantee shall be returned to:

- (a) the provisional winner if he satisfies all the post auction requirements referred to in paragraph 32.1,
- (b) the unsuccessful qualified bidders, within thirty (30) days from the date of the grant of the Radiocommunications Authorization,
- (c) the applicants who do not meet the evaluation criteria within thirty (30) days from the date on which the Director reached the relevant decision,
- (d) (all) applicants, if the Director chooses to exercise his right to cancel the Contest, within thirty (30) days from the date on which he reached his decision to do so.

### **13. Persons who Have Received the Contest Documents**

**13.1** Persons (interested party and/or applicant) who have received the Contest Documents, and therefore are eligible for the Contest, means persons who have submitted to the Director duly signed the “Acknowledgement of Receipt of the Contest Documents, Ref: THE Δ1/2013” (Appendix 4) and subject to the provisions of paragraph 13.2 have received from the Director or his representative a written confirmation of the said Acknowledgement of receipt of the Contest Documents.

**13.2** The Director or his representative shall issue the aforesaid written confirmation only if the interested party/applicant pays to the Director the amount of € 300 (three hundred euros) in cash or cheque.

**13.3** An application which has not secured the above confirmation in writing by the Director, with specific reference to the name of the applicant is rejected and not evaluated.

**13.4** A person who has received the Contest Documents may, if he so wishes not to submit an application.

## PART II – POLICY AND REGULATION FRAMEWORK

### 14. Radio Spectrum

**14.1** The Contest Documents concern the grant (authorization) of individual right of use of radio frequencies in the bands 900 MHz<sup>5</sup>, 1800 MHz<sup>6</sup>, and 2100 MHz<sup>7</sup> (paired part) for the establishment and operation of an electronic communications network.

**14.2** The Contest offers to the Market one (1) Radiocommunications Authorization which includes the spectrum specified in Table 1.

Frequency Band	Bandwidth	Spectrum uplink (base receivers)	Spectrum downlink (base transmitters)
900 MHz	2x10 MHz	880-890 MHz	925-935 MHz
1800 MHz	2x24.8 MHz	1760.2-1785 MHz	1855.2-1880 MHz
2100 MHz	2x15 MHz	1950-1965 MHz	2140-2155 MHz

**Table 1.** Radio Frequency Spectrum offered to market.

**14.3** It should be noted that the radio spectrum may be affected by radiocommunications transmissions from neighboring countries and the occupied areas. In such cases, the Republic of Cyprus proceeds to take action with neighboring countries in order to solve the problems of interference, under the provisions of the ITU (International Telecommunications Union). In the past, the most significant problems emanated from the occupied areas. On the basis of the current situation, the Republic of Cyprus does not conduct coordination with the occupied areas.

<sup>5</sup> “900 MHz band” means the frequency bands 880-915MHz and 925-960MHz.

<sup>6</sup> “1800 MHz band” means the frequency bands 1710-1785MHz and 1805-1880MHz.

<sup>7</sup> “2100 MHz band” means the frequency bands 1920-1980MHz and 2110-2170MHz.

## 15. Provisions and Technical Requirements

**15.1** Cyprus as a member of the European Union adopts (mandatory) the Directives, Regulations and Decisions of the European Parliament and the Council of Europe and the Commission Decisions. In addition, it adopts (optional) the Decisions (ERC/ECC Decisions) of the European Conference of Posts and Telecommunications (CEPT), of which Cyprus is a member. Within the flexibility provided by the legislation of the European Union, it is a common practice to impose the minimum necessary technical limitations, so as not to unnecessary burden authorized entities and by extension consumers, while retaining the right to impose stricter measures where necessary.

### 15.2 900 MHz and 1800 MHz Frequency Bands

**15.2.1** The 900 MHz and 1800 MHz frequency bands are authorized for the establishment and operation of GSM networks, as well as other terrestrial electronic communications networks capable of providing electronic communications services which can coexist with the GSM networks, pursuant to the provisions and technical parameters of Directive 2009/114/EC, Decision 2009/766/EC and Decision 2011/251/EC of the European Union.

**15.2.2** GSM system means an electronic communications network that complies with the GSM Standards, as published by ETSI, in particular EN 301 502 and EN 301 511.

**15.2.3** The other terrestrial electronic communications networks capable of providing electronic communications services that can coexist with GSM networks are listed in Table 2, below, which lists the technical parameters of these networks.

Electronic Communications Network	Technical Parameters
UMTS complying with UMTS Standards, as published by ETSI, in particular EN 301908-1, EN 301908-2, EN 301908-3 and EN 301908-11	<ol style="list-style-type: none"> <li>1. Carrier separation of 5 MHz or more between two neighboring UMTS networks</li> <li>2. Carrier separation of 2.8 MHz or more between a neighboring UMTS network and a GSM network.</li> </ol>



<p>LTE complying with LTE Standards, as published by ETSI, in particular EN 301908-1, EN 301908-13, EN 301908-14, and EN 301908-11</p>	<ol style="list-style-type: none"> <li>1. A frequency separation of 200 kHz or more between the LTE channel edge and the GSM carrier's channel edge between a neighboring LTE network and a GSM network.</li> <li>2. No frequency separation is required between LTE channel edge and the UMTS carrier's channel edge, between a neighboring LTE network and a UMTS network.</li> <li>3. No frequency separation is required between LTE channel edges, between two neighboring LTE networks.</li> </ol>
<p>WiMAX complying with WiMAX Standards, as published by ETSI, in particular EN 301908-1, EN 301908-21 and EN 301908-22.</p>	<ol style="list-style-type: none"> <li>1. A frequency separation of 200 kHz or more between the WiMAX channel edge and the GSM carrier's channel edge between a neighboring WiMAX network and a GSM network.</li> <li>2. No frequency separation is required between the WiMAX channel edge and the UMTS carrier's channel edge between a neighboring WiMAX and a UMTS network.</li> <li>3. No frequency separation is required between WiMAX channel edges, between two neighboring WiMAX networks.</li> </ol>

**Table 2.** Description of Networks and Technical Parameters for electronic communications networks capable of providing electronic communications services that can coexist with GSM networks

**15.2.4** In the 900 MHz and 1800 MHz frequency bands, the Director may allow the establishment and operation of terrestrial electronic communications networks not listed in Table 2, provided that such networks can coexist,

- (a) with GSM networks, and
- (b) with other networks listed in Table 2.

Authorized entities may establish and operate terrestrial electronic communications networks not listed in Table 2, provided that they have prepared and submitted to the Director a fully documented technical study demonstrating the above and after they have secured the approval of the Director.

### **15.3**     2100 MHz Frequency Band

**15.3.1**   The paired part of the 2100 MHz frequency band is authorized for the establishment and operation of terrestrial electronic communications networks for the provision of electronic communications in accordance with the provisions and technical parameters of Decision 2012/688/EU of the European Union.

**15.3.2**   The paired part of the 2100 MHz frequency band is authorized for Frequency Division Duplex (FDD) systems, in accordance with the following settings. The duplex separation is 190 MHz. The terminal station transmission (uplink) uses the lower part of the band starting at 1920 MHz and finishing at 1980 MHz, and the base station transmission (downlink) uses the upper part of the band starting at 2110 MHz and finishing at 2170 MHz.

**15.3.3**   Authorized entities are required to operate the radio equipment by applying the technical parameters listed below. The technical conditions presented in this paragraph are in the form of frequency arrangements and block-edge masks (BEM). A BEM is an emission mask that is defined, as a function of frequency, relative to the edge of a block of spectrum for which rights of use are granted to an authorized entity. It consists of in-block and out-of-block components which specify the permitted emission levels over frequencies inside and outside the licensed block of spectrum, respectively. The BEM levels are built up by combining the values listed in the Tables 3 and 4 in such a way that the limit at any frequency is given by the highest (least stringent) value of the baseline requirements, the transition requirements, and the in-block requirements (where appropriate). The BEMs are presented as upper limits on the mean equivalent isotropically radiated power (EIRP) or total radiated power (TRP) over an averaging time interval, and over a measurement frequency bandwidth. In the time domain, the EIRP or TRP is averaged over the active portions of signal bursts and corresponds to a single power control setting. In the frequency domain, the EIRP or TRP is determined over the measurement bandwidth specified in Tables 3 and 4 below. In general, and unless stated otherwise, the BEM levels correspond to the aggregate power radiated by the relevant device including all transmit antennas, except in the case of baseline and transition requirements for base stations, which are specified per antenna.

Frequency range of out-of-block emissions of FDD downlink	Maximum mean out-of-block EIRP	Measurement bandwidth
Frequencies spaced more than 10 MHz from the lower or upper block edge	9 dBm	5 MHz

**Table 3.** Baseline requirements — base station BEM out-of-block EIRP limits per antenna (The BEM level is defined per antenna and applicable to base station configuration with up to four antennas per sector).

Frequency range of out-of-block emissions of FDD downlink	Maximum mean out-of-block EIRP	Measurement bandwidth
-10 to -5 MHz from lower block edge	11 dBm	5 MHz
-5 to 0 MHz from lower block edge	16.3 dBm	5 MHz
0 to +5 MHz from upper block edge	16.3 dBm	5 MHz
+5 to +10 MHz from upper block edge	11 dBm	5 MHz

**Table 4.** Transition requirements — base station BEM out-of-block EIRP limits per antenna (The BEM level is defined per antenna and applicable to base station configuration with up to four antennas per sector)

**15.3.4** The BEM technical parameters are an essential component of the technical conditions necessary to ensure coexistence conditions, in the absence of bilateral or multilateral agreements between neighboring networks. Authorized entities may use less stringent technical parameters, provided that they have agreed with providers of neighboring networks and have submitted to the Director a written signed agreement. The radiocommunications equipment operating in this band may also use power limits other than those specified above, provided that appropriate mitigation techniques are applied which are consistent with the Radiocommunications (Radio Equipment) Regulations of 2003, as amended, and provide at least an equivalent level of protection as the technical parameters.

## **16. Future Authorisations**

**16.1** The 3400 MHz<sup>8</sup> band was offered to Market in 2011, but there was no interest. In relation to this zone, the European Union is conducting a new study on its harmonized use, taking into account new information and data. It is expected that in the future it will be offered again for authorization.

**16.2** The Republic of Cyprus has submitted to the European Union a request for derogation allowing it not to authorize the 800 MHz frequency band, due to the illegal broadcasting of analogue TV from the occupied areas. It is our intention to offer the frequency band 800 MHz to the market for the operation of terrestrial electronic communications networks (excluding television networks) for the provision of electronic communications services in accordance with the provisions and technical parameters of the EU Commission Decision 2010/267/EU as soon as this problem is overcome.

**16.3** Currently studies are being conducted at a European level, in order to find additional spectrum for the needs of wireless electronic communications networks. The Republic of Cyprus is closely following these decisions which aim at licensing an environment in which mobile service providers may be able to respond effectively to market demands for new services for the benefit of consumers.

**16.4** At the same time, at this juncture, the process of amending the existing radiocommunications authorizations ( of the Cyprus Telecommunications Authority and MTN Cyprus Ltd) is expected to take place, with a view to re-farming the said user rights so as to allow the use also of other technologies and systems in the frequency bands included in their authorization.

## **17. Office of the Commissioner of Electronic Communications and Postal Regulation**

**17.1** The Commissioner of Electronic Communications and Postal Regulation (to be referred to as “the Commissioner”) is the competent authority in relation to the provisions of this paragraph. The organizations which have secured Radiocommunications Authorization are subject to these provisions.

---

<sup>8</sup>“3400 MHz band” means the frequency band 3400-3800 MHz.

## **17.2**     Obligations relating to Quality of Services

**17.2.1** The new entrant organization must comply with the quality of service standards according to the Quality of Service (Electronic Communications) Order (PI 74/2005).

**17.2.2** The Commissioner, exercising the powers conferred to him by Articles 20 (d), 39 (6) and 70 (7) of the Electronic Communications and Postal Services Regulation Law of 2004, as amended, is currently evaluating the issuing of an Order amending the Quality of Service (Electronic Communications) Order (P.I.74/2005). The amendment of this Order (P.I. 74/2005) is dictated by the evolution of technology in mobile networks and will involve the setting of quality indicators for the operation of 4G technology (LTE, Long Term Evolution).

**17.2.3** In accordance with Article 70A of the Regulation of Electronic Communications and Postal Services Law L.112(I)/2004, as amended, in determining minimum quality of service requirements for persons providing public communications networks, the Commissioner gives the European Commission, on time and before the establishment of these requirements, a summary of the reasons necessitating action on the envisaged requirements and the proposed course of action. The European Commission may, after examining such information, make comments and / or recommendations to ensure that the requirements do not adversely affect the functioning of the internal market. The Commissioner takes into consideration the observations or recommendations of the European Commission, to the maximum extent possible, before imposing the relevant obligations.

## **17.3**     National Roaming

**17.3.1** According to the Decision on the Definition on Relevant Market, the Designation of the Organisation with Significant Market Power and the imposition of Regulatory Obligations on the operator with Significant Power in the Wholesale Market for Access and Call Origination on public mobile telephone networks an obligation was imposed on CYTA to give access to mobile networks including the provision of national roaming.

**17.3.2** The new entrant (provider) will have the right to sign national roaming agreements with the liable provider on the basis of the National Roaming Order, which will shortly be published by the Commissioner.

## **17.4**     Colocation

**17.4.1** Each licensed provider must comply with the provisions of the Supply of Co-location

and Facilities Sharing Order of 2006, P.I. 338/2006, as in force, amended or replaced. The Commissioner will replace the said Order, shortly, so as to cover fully the provisions of the new Article 62 of Law 112(I)/2004, as published by the amending Law 51(I)/2012. The provisions that apply are in particular those relating to antennas and are contained both in the main part of the Order and Annex II thereto, concerning the method of calculating the costs, the expenses and the fees for collocation of antennas. It should be noted that Annex II, as it stands today, does not include a cost calculation methodology of the costs and fees, although it envisages this. The Commissioner is considering at present this subject in order to decide on the best method that can be applied. Upon completion of the relevant work, the Commissioner will, in accordance with the provisions of the legislation, amend the said order so to include the relevant methodology.

### **17.5 General Authorization of Electronic Communications**

**17.5.1** A person authorized for the establishment and operation of mobile electronic communications networks and the provision of electronic communications services in Cyprus, must comply with the conditions and obligations set out in the Decision Determining the Conditions and / or Obligations under the General Authorization Decision (P.I.436/2005), as amended or replaced.

### **18. Territory for the Exercise of the Right and Duration of the Radiocommunications Authorization**

**18.1** The individual right of use of radio frequencies (Radiocommunications Authorization) to be granted under this process covers the whole territory of the Republic of Cyprus. Currently, however, the exercise of the right to use radio frequencies cannot be secured in those areas of Cyprus in which the Government does not exercise effective control.

**18.2** The validity period of the Radiocommunication Authorization is fifteen (15) years. It is expected that a public consultation will take place, at least two (2) years prior to the expiration of such authorization, in order to discuss under what conditions it will be possible to renew this authorization.

### **19. Geographical Coverage Obligations**

**19.1** The authorized entity is required to establish and operate a broadband electronic communications network (3G and/or 4G) for the provision of electronic communications geographically covering 40% of the areas under the control of the Republic, within three (3)

years from the date of issue of the Radiocommunications Authorization, and 65% of the areas under the control of the Republic, within five (5) years from the date of the issue of the Radiocommunications Authorization.

## **20. Access Speed Obligations**

**20.1** Subject to the provisions of paragraph 17.2, the authorized entity must offer users (consumers) by 2019 and throughout its network, the capability of accessing the Internet at speeds of at least 30Mbps.

## **21. Reserved Price**

**21.1** The reserved price reflects the minimum price at which the Competent Authority is prepared by to grant the Radiocommunications Authorization.

**21.2** The reserved price for the Radiocommunications Authorization of this contest is €12.300.000 (twelve million three hundred thousand euros).

## **22. Development of Radiocommunications Stations - Exposure to Electromagnetic Fields**

**22.1** The framework for the development (installation and operation) of radiocommunications stations is the one adopted by the Council of Ministers (Decision No. 63.006 dated. 14/12/05) and described in a document entitled “Policy and Procedures for the Installation and Operation of Radiocommunications Stations with Capability for Emissions”, and which has been integrated in the following laws:

- (a) the Town and Country Planning General (Amendment) Development Order of 2006.
- (b) Order No. 3 of 2006 (Radiocommunications Stations) by the Minister of Interior.
- (c) The Radiocommunications (Authorizations) Regulations 2004 to 2008.
- (d) The Public Roads and Buildings (Amendment) (No. 2) Law of 2008.
- (e) The Streets and Buildings (Examination procedure and period of examination of the application for a building permit for certain buildings) Order of 2009.

**22.2** The terms, restrictions and obligations on exposure to electromagnetic fields, are those adopted by the Council of Ministers (Decision No. 63.006 dated. 14/12/05) and

described in the document entitled “Policy and Procedures for the installation and Operation of Radiocommunications Stations with Capability for Emissions”. As National Exposure Limits to electromagnetic fields, the Council of Ministers adopted the reference levels set out in Council Recommendation 1999/519/EC on the limitation of exposure of the general public to electromagnetic fields (0 Hz-300 GHz) (EE L 199 of 30.7.1999 p.59). Specifically, the Council of Ministers decided to implement the following provisions:

- (a) Authorized entities are required to operate their network stations with such operating parameters (emission characteristics, radiation pattern of the antenna, etc.), so that at any location, overall exposure levels from the emissions of their radio equipment and any other radiocommunications system should be within the National Exposure Limits, as amended or revised by the Ministry of Health.

The Minister of Health may by a Decision published in the Official Gazette of the Republic revise the National Exposure Limits to electromagnetic fields, which revision may be to adopt stricter limits on exposure to electromagnetic fields.

- (b) Before installing and operating a station, the authorized operator shall conduct a study estimating total electromagnetic fields in the area where the station will be installed, taking into account all contributing sources, including contributions from low-frequency sources.
- (c) The exact location of the station and the study results of the estimate of electromagnetic fields shall be submitted to the Department of Electronic Communications, four (4) weeks before the date of installation of the station, by completing the special disclosure form
- (d) If the estimate of the total electromagnetic fields exceeds 30% of the National Exposure Limit, the authorized operator shall submit to the Department of Electronic Communications the complete study on the total electromagnetic fields it has conducted.



## **PART III – EVALUATION OF APPLICATIONS AND APPLICANTS**

### **23. Opening of Applications**

**23.1** All application envelopes shall be opened by the Director or his authorized representative, immediately after the expiration of the deadline specified in paragraph 5.1, in the presence of the Chairman of the Technical Committee on Radio Frequencies (TCR) or his representative, which was established in accordance with Regulation 4 of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, and another member of the Technical Committee on Radio Frequencies. A representative of the Auditor General of the Republic may be present at the opening of the application envelopes.

### **24. Evaluation of Applications**

**24.1** The auction will be preceded by the stage of evaluation of the applications from which the applicants (qualified bidders) will emerge who will take part in the auction (in the bidding process). On receipt of the applications by the Chairman of the TCR or his representative, the TCR shall evaluate the applications submitted and prepare an evaluation report, to be submitted to the Director. The Director, after studying the above evaluation report and, if he deems it necessary after consultation with the TCR, selects the applicants who will take part in the auction.

**24.2** The evaluation criteria consist of the participation criteria (see paragraph 25) that must be satisfied by applicants in order to have the right to participate to the Contest, and the selection criteria (see paragraph 26) that must be satisfied by applicants in order to become qualified bidders.

**24.3** Applicants who do not satisfy the evaluation criteria shall be rejected and shall not participate in the auction. These applicants shall receive a relevant notification by the Director and the participation guarantee submitted under paragraph 12 shall be returned within thirty (30) days from the date on which the decision of rejection was taken.

**24.4** During the evaluation process, the Director and/or the TCR may, at their discretion, require applicants to submit in writing clarifications. In the event that any of the information submitted as clarification constitutes an amendment of the application, this shall not be taken into account.

Requests by the Director and/or the TCR, for clarifications, shall be notified in writing, by fax or by email to the applicant. Such requests shall specify a reasonable period within which the applicant will be requested to respond. This period shall in no case exceed ten (10) calendar days from the date on which the request was communicated to the applicant. If the applicant fails to respond to such a request within the specified time period, this may result in his exclusion from the bidding process.

**24.5** During the evaluation process, any communication with the Director and/or the TCR, either in writing or orally or in any other way, apart from the communication specified in paragraph 24.4 above, shall not be taken into account.

**24.6** Applicants who meet the evaluation criteria shall be given a qualified bidder's certificate in relation to the auction process. The list of names of applicants evaluated as qualified bidders shall be published in the Official Gazette of the Republic.

## **25. Participation Criteria**

The application for participation in the Contest must satisfy the following criteria:

**25.1** The application must be properly completed and include all the documents referred to in paragraph 3.1, signed by the applicant or his authorized representative.

**25.2** In accordance with the provisions of Regulation 22 (c) of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, the applicants who wish to participate in the Contest must not be associated with another organization or company, which already has a similar right to use radio frequencies granted by the Republic of Cyprus, at a percentage which is deemed to be hindering competition and/or considered important in the sense of being able to significantly influence decisions and general activities of the one or the another organization or company. In this contest, the candidates should satisfy the following:

- (a) An Organization or a company, already having a similar right of use of radio frequencies granted by the Republic of Cyprus<sup>9</sup>, shall not be allowed to submit an application.
- (b) Applicants shall not have direct or indirect ownership of shares or interest or capital exceeding 10% in an organization or a company which already has a similar right of

---

<sup>9</sup> Cyprus Telecommunications Authority and MTN Cyprus Ltd.

use of radio frequencies granted by the Republic<sup>10</sup>, so that they are in a position to influence the control of the said organization or company.

- (c) An organization or a company already having a similar right of use of radio frequencies granted by the Republic of Cyprus<sup>11</sup> shall not have direct or indirect ownership of shares or interest or capital exceeding 10% in the applicant so as to influence the control of the said applicant.

**25.3** The applicants must submit the required participation guarantee of the amount and in the form and manner specified in paragraph 12 and APPENDIX 6 of the Contest Documents.

**25.4** The applicants must have already obtained the written confirmation from the Director or his representative referred to in paragraph 13.

## **26. Selection Criteria**

Applicants should meet the following criteria in order to participate in the auction (bidding process):

### **26.1 Ownership and Control**

**26.1.1** The applicants must be legal entities (public or private) lawfully established in Cyprus or in another Member State of the European Union (EU) or the European Economic Area (EEA) or in third countries which have signed and ratified the Agreement on Government Procurement (GPA) and have signed and ratified the association agreements or bilateral agreements with the EU or the Republic of Cyprus.

**26.1.2** A joint application by different legal entities (e.g. consortia) shall not be accepted. In such case, the application must be submitted by one (1) legal entity (Partnership), which shall satisfy the provisions of paragraph 26.1.1 and can be made up of the aforementioned separate legal entities.

**26.1.3** The same natural or legal person is not allowed to participate, partly or fully, directly or indirectly (by more than 10% of shares), in more than one (1) applications in this Contest.

**26.1.4** Applicants must submit a statement in accordance with APPENDIX 7 to the effect that they satisfy all ownership and control requirements set out in this paragraph.

---

<sup>10</sup> See footnote 9.

<sup>11</sup> See footnote 9.

**26.2** Illegal activity in the occupied areas of Cyprus**26.2.1** Applicants are not allowed:

- (a) To carry out business illegally in the occupied areas of Cyprus.
- (b) To control another company or person or organization engaged illegally in the occupied areas of Cyprus.
- (c) To be controlled by another company or a person or organization operating illegally in the occupied areas of Cyprus.

**26.2.2** Applicants must submit a written statement in accordance with APPENDIX 8 that they satisfy the requirements referred to in this paragraph.

**26.3** Business Plan - Project Financing

**26.3.1** Each applicant must submit a business plan for the first six (6) years of operation comprising:

- (a) A description of the network to be developed by the applicant and the nature of electronic communications services to be provided to consumers.
- (b) The plan (percentage of geographical coverage – timetable) according to which the applicant will comply with his geographical coverage obligations as specified in paragraph 19, and the plan under which he will comply with his obligations concerning access speed as specified in paragraph 20.
- (c) A description of the experience and expertise he possesses and/or may obtain and submit the required supporting documents/certificates (e.g. certificates from relevant regulatory authorities, cooperation agreements) in order to comply with the requirements set out in paragraph 26.4.
- (d) The estimated capital cost and operating cost. It is understood that the business plan need not include any costs related to the price to be paid by the applicant in order to obtain the Radiocommunications Authorization (i.e. the fee that will result from the auction process).
- (e) The estimated revenue.

- (f) Description of the sources of financing the activities of the applicant, which may include foreign capital or equity and submission of the relevant supporting documents (e.g. documents from company/organization and/or documents by a credit institution).

**26.3.2** On the basis of the information given in their business plan, in accordance with paragraph 26.3.1, the applicants should have at their disposal and/or be able to secure adequate financial resources in order to establish and operate the relevant electronic communications network for the provision of electronic communications. Applicants must submit a written declaration in accordance with APPENDIX 9 to the effect that they satisfy the requirements of this paragraph regarding the financing of their activities.

#### **26.4** Experience and Expertise

**26.4.1** Applicants must have the necessary experience and expertise to establish and operate the relevant network and generally implement their business plan.

**26.4.2** Applicants must submit a written statement in accordance with APPENDIX 10 that they meet the criteria specified in this paragraph.

**26.4.3** Applicants meet the criterion of experience and expertise provided that they satisfy the requirements of paragraph (a) and/or paragraph (b) below:

- (a) Applicants have experience and expertise of at least two (2) years in the operation of a wired and/or wireless electronic communications network and/or the provision of electronic communications services in a competitive environment. In case an applicant comprises several legal entities, then the applicant satisfies the criterion of experience and expertise, if at least one of these entities has experience and expertise of at least two (2) years in the operation of a wired and/or wireless electronic communications network and/or the provision of electronic communications services in a competitive environment. Such a person should hold more than 10% of the shares or capital of the applicant.
- (b) Alternatively, an applicant meets the criteria of experience and expertise if he has secured through cooperation agreements the services of persons (natural and/or legal) who have experience and expertise for at least two (2) years in the operation of a wired and/or wireless electronic communications network and/or the provision of electronic communications services in a competitive environment.

## **PART IV – AUCTION (BIDDING PROCESS)**

### **27. Conduct of the Auction process**

**27.1** Subject to the provisions of paragraph (4) of Regulation 9 of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, the Director and the TCR conduct the auction with the participation of qualified bidders. The TCR at the end of the auction shall submit to the Director the auction report.

**27.2** The competition will include one (1) auction with one (1) or more rounds.

**27.3** The qualified bidders through their designated bidders (as they are specified in APPENDIX 2) are required to be present at a specific location and at a specific time, to be announced, in order to attend the relevant informational seminar and take part in the mock auction and then take part in the auction.

**27.4** In the event that a qualified bidder is excluded (expelled) from the Contest and his bids become invalid, then the results of the auction in respect of each round are modified and changed accordingly, as if that bidder had not ever participated in the bidding process.

**27.5** The general framework of the auction (auction process) is described in paragraph 28, and the full description of the entire process is presented in detail in the Bidder's Package (see paragraph 1.4).

### **28. The Bidding Process (General Framework)**

**28.1** The bidding process of the Contest will consist of multiple rounds with bid increments, where the active bidders submit their bids using sealed envelopes within a specified time period. It is expected that multiple rounds will be conducted every day. Round results will be distributed to bidders who had participated in the round. Regular reports on auction progress will be made publicly available on the Internet.

**28.2** In each new round, the bidding forms will be handed to active bidders with a fixed offer (in euros), which will have an increment compared with the bid in the previous round. Bid increments will be selected so that the auction will proceed at a smooth pace. Bidders will have no discretion to choose whether or not to submit a higher or lower bid than the one inscribed in the relevant bidding form. They will simply choose whether or not to accept the new bid.

**28.3** At the end of each round, if there are more than one active bidders, all active bidders will be ranked by means of a random selection process, that is, the highest bidder, the second highest bidder and so on. The result of this random selection process will be taken into account in formulating a ranking list, which determines the ranking of all qualified bidders according to their highest valid bid.

**28.4** The auction process is completed when there are no more than one (1) active bidders and the Director will declare the auction closed. The first highest bidder in the ranking list of the whole auction process referred to in paragraph 28.3 and subject to the provisions of paragraph 31.1 is expected to be declared the provisional winner.

**29. Not applicable**

**30. Starting Price**

**30.1** The starting price of the auction process is equal to or greater than the reserved price set out in paragraph 21. The starting price is specified in the Bidder's Package (see section 1.4), which will be issued before the start of the auction process.

## PART V – RADIOCOMMUNICATIONS AUTHORIZATION

### **31. Provisional Winner**

**31.1** The Director, having considered the auction report prepared by the TCR and if in his judgment this is necessary, after consultation with the TCR, proclaims the first highest bidder (based on the ranking list referred to in paragraph 28.3) as a provisional winner i.e. the applicant to whom he intends to grant the Radiocommunications Authorization provided that he will meet at the post auction requirements.

### **32. The Post Auction Requirements.**

**32.1** The provisional winner must satisfy the post auction requirements given below:

- (a) pay the required Radiocommunications Authorization fee as specified in paragraph 33,
- (b) submit to the Director the relevant supporting documents/evidence attesting that he can operate legally in Cyprus, once he is granted the Radiocommunications Authorization.
- (c) submit to the Director the relevant supporting documents/evidence that he has fulfilled his obligations in relation to the payment of social security contributions and the payment of taxes at the closing date for the submission of applications as prescribed in article 5.1, in accordance with the legislation in force in the Republic or the laws applicable in the country where he is established.

It is understood that the provisional winner shall meet the above requirements within thirty (30) days from the date he is declared the provisional winner.

**32.2** In the event that the first highest bidder and/or provisional winner withdraws or is disqualified from the Contest at a time after the end of the auction or fails or refuses or is unable to meet the post auction requirements within the period referred to in paragraph 32.1, the participation guarantee of the applicant is forfeited. In such a case, the Director shall have the right, subject to the provisions of paragraph 27.4, either to offer the Radiocommunications Authorisation to the second highest bidder or cancel the Contest. In case the Director decides to exercise his right to grant the Radiocommunications Authorization to the second highest bidder, he can do so only if the highest bidding offer made by this bidder is higher than or equal to the reserved price. In such case, the Director shall declare the second highest bidder



as the provisional winner.

**32.3** In any case, if the current highest bidder/provisional winner withdraws or is excluded from the Contest at a time after the end of the auction or fails or refuses or is unable to meet the post auction requirements within thirty (30) days from the date in which he was declared the provisional winner, the participation guarantee of this applicant shall be forfeited. The Director continues to act in the same manner, i.e. subject to the provisions of paragraph 27.4, either cancels the Contest or addresses the qualified bidders in descending order relative to the rating list in force referred to in paragraph 28.3, provided that the bidding offer perceived as the highest each time is higher than or equal to the reserved price, until the current provisional winner meets the post auction requirements within thirty (30) days from the date on which he was declared provisional winner or until the ranking list is exhausted.

### **33. Method of Determination and Payment of the Authorization Fee**

**33.1** The Radiocommunications Authorization fee is equal to the highest valid auction bid of the provisional winner, as a result of the auction which has been completed, and covers the entire duration of the Radiocommunications Authorization.

**33.2** Within thirty days (30) from the date in which the provisional winner has been declared by the relevant decision of the Director, in accordance with paragraph 31.1, the applicant shall pay to the Director the entire Radiocommunications Authorization fee.

Alternatively, this applicant has the option to pay to the Director 20% of the Radiocommunications Authorization fee, within thirty (30) days from the date of the above decision, and the remaining amount in four (4) equal annual interest-bearing installments, within the next four (4) years, which are payable on the anniversary date of the grant of the Radiocommunications Authorization. In this case, the said applicant must submit to the Director a bank guarantee (a relevant template is included in APPENDIX 5) for these four (4) annual interest-bearing installments, otherwise the entire Radiocommunications Authorization fee shall become due and payable within thirty (30) days from the date the Director declared the applicant as the provisional winner. Also in this case, the interest rate which will apply for the above four (4) annual payments will be the main interest rate for refinancing operations - repo rate- as determined by the European Central Bank, plus a rate of 4% on the date of submitting the above bank guarantee.

**33.3** In the event that the said applicant exercises the right to pay to the Director the 20% of the Radiocommunications Authorization fee and the remaining amount in four (4) equal

annual interest-bearing installments, which shall be payable on the anniversary date of the grant of the Radiocommunications Authorization in respect of the years 2014, 2015, 2016 and 2017, and the said authorized entity fails to pay any of the four equal annual installments, as specified in paragraph 33.2, then the bank guarantee referred to in paragraph 33.2 is forfeited for an amount equal to the annual installment or annual installments which were not paid.

**33.4** The paid Radiocommunications Authorization fee shall not be returned to the authorized entity, unless the Minister of Communications and Works or the Director decides to terminate such authorization in accordance with the provisions of Regulation 29 (3) of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended.

#### **34. Radiocommunications Authorization Terms and Conditions**

The Radiocommunications Authorization includes the following terms, conditions and restrictions:

##### **34.1 Interpretation**

**34.1.1** In paragraph 34, unless the context requires otherwise, (every Radiocommunications Authorization will include corresponding interpretations):

“Director” means the Director of the Department of Electronic Communications of the Ministry of Communications and Works and any person authorized by the Director pursuant to article 4 (3) of the Law.

“LTE Network” means the electronic communications network complying with the LTE standards, as published by the European Telecommunications Standards Institute (ETSI), in particular EN 301908-1, EN 301908-13, EN 301908-14, and EN 301908 - 11, as amended or replaced from time to time.

“GSM Network” means the electronic communications network complying with the GSM standards, as published by ETSI, in particular standards EN 301 502 and EN 301 511, as amended or replaced from time to time.

“UMTS Network» means an electronic communications network complying with the UMTS standards, as published by ETSI, in particular standards EN 301908-1, EN 301908-2, EN 301908-3 and EN 301908-11, as amended or replaced from time to time.

“WiMAX Network” means the electronic communications network complying with the

WiMAX standards, as published by ETSI, in particular standards EN 301908-1, EN 301908-21 and EN 301908-22, as amended or replaced from time to time.

“National Exposure Limits to Electromagnetic Fields” means the reference values specified in the European Union Act 1999/519/EC entitled “Council Recommendation of 12 July 1999 on the limitation of exposure of the general public to electromagnetic fields (0 Hz - 300 GHz)”, (EE L 199, 30.7.1999, p. 59), as these are amended or replaced from time to time.

It is understood that the Minister of Health may revise the National Exposure Limits to Electromagnetic Fields or adopt more stringent criteria, by a Decision published in the Official Gazette of the Republic.

“Authorized Entity” means the legal entity that is authorized by the present process.

“Authorization” means the Radiocommunications Authorization.

“Law” means the Radiocommunications Laws of 2002 to 2012, as amended or replaced from time to time.

“Assessment Guidelines for Public Exposure to Electromagnetic Fields” means the guidelines established by the Director by a Decision which was published in the Official Gazette No. 4572 dated. 01.06.2012 and includes the methodology to be followed by authorized entities for performing measurements of electromagnetic fields in established radio stations that are part of an electronic communications network.

“Guidelines for Estimating Electromagnetic Fields” means the guidelines set by the Director by a Decision which was published in the Official Gazette No. 4320 dated. 14.11.2008 and includes the methodology to be followed by interested undertakings or authorized entities, as appropriate, for the conduct of studies assessing exposure to electromagnetic fields.

“Radio Equipment” means base transceiver stations or repeater stations that are part of an electronic communications network in which the equipment of the end user communicates with these stations using radio frequencies in order to provide electronic communications services.

“End User” has the same meaning ascribed to this term by the Regulation of Electronic Communications and Postal Services Law of 2004 (L.112 (I) / 2004) as amended from time.

“Minister” means the Minister of Communications and Works.

“Territorial Waters of the Republic” has the same meaning given to the term “Aegialitis zone” (territorial sea) from The Territorial Sea Law of 1964, as amended or replaced from time to time.

“ETSI” means the European Telecommunications Standards Institute.

**34.1.2** Any other terms used in the present authorization, the definition of which is not given herein, shall have the meaning given to such terms in the Law.

**34.2** Object of the Authorization

**34.2.1** The object of the Authorization is to authorize the Authorized Entity to use radio frequencies in order to establish, install and operate Radio Equipment in accordance with the conditions laid down in paragraph 34.

**34.2.2** The use of radio frequencies for the establishment, installation and operation of fixed links is not part of the present Authorization. If the Authorized Entity wishes to use fixed links it must follow the procedure set out in the Radiocommunications (Authorizations) Regulations of 2004 to 2012, as amended or replaced from time to time, and pay the relevant fees provided for in the Radiocommunications (Fees) Regulations of 2004 to 2012, as amended or replaced from time to time.

**34.3** Validity Period (Duration) of the Authorization

The validity period of the Authorization is described in paragraph 18.2.

**34.4** Termination or Suspension of the Authorization

This authorization may be terminated or suspended as specified in the Law.

**34.5** Modification of the Authorization

This authorization may be modified as specified in the Law.

**34.6** Transfer of the Authorization

The authorization may be transferred or ceded, in whole or in part, to any other person, as specified in the Law and the relevant Order.

**34.7** Authorization Fees

The Authorized Entity shall pay to the Director the amount of the highest valid bid in the

auction, as specified in paragraph 33.

#### **34.8** Territory of authorization exercise and Geographical Coverage Obligations

**34.8.1** The Authorization is valid throughout the territory of the Republic of Cyprus, including the occupied areas. For the time being, however, electronic communications networks will be established only in areas under the control of the government of the Republic.

It is understood that the Authorization does not cover the use of radio frequencies by radio equipment which is installed:

- (a) in aircraft registered in the Republic of Cyprus during flights, or
- (b) ships registered in the Republic of Cyprus which are sailing in the territorial waters of the Republic, at a distance between two to twelve nautical miles from the coast of the Republic.

**34.8.2** The Geographical Coverage Obligations are those set out in paragraph 19.

#### **34.9** Operation of Radiocommunications Equipment

**34.9.1** The Authorized Entity has the obligation to operate the Radiocommunications Equipment at the radio frequencies allocated to it without causing harmful interference to other radiocommunications services and radiocommunications facilities in Cyprus.

**34.9.2** Depending on the frequency band, the provisions and technical requirements concerning use as set out in paragraph 15 shall be imposed.

**34.9.3** Before installing antennas and masts, the Authorized Entity is required:

- (a) to obtain the necessary town planning license, in accordance with the Town & Country Planning Laws of 1972, as they are amended or replaced from time to time;
- (b) to obtain the necessary building license, in accordance with the Streets and Buildings Regulation Law, as it is amended or replaced from time to time;
- (c) to obtain the necessary approval certificate in accordance with the Streets and Buildings Regulation Law or the necessary special approval certificate according to the Streets and Buildings Regulation (Temporary Provisions) Law of 2004-2006;
- (d) to conform with the provisions of the Environmental Impact Assessment of Certain

Projects Law of 2005 as amended or replaced from time to time.

#### **34.9.4**

- (a) The installation of antennas and masts shall be based on the conditions and limitations related to the safety of aeronautical aviation, as provided in the International Civil Aviation Convention of 1944 and its Thirteen Protocols of 1947 to 1988 (ratification) and Related Issues Law of 1988 and in particular the Annexes to the aforementioned Convention, referred to in subparagraph (b) herein, as amended or replaced from time to time. The Authorized Entity may request from the Director of the Department of Civil Aviation all relevant information concerning the conformity of antennas and masts to the present term.
- (b) The Annexes to which subparagraph (a) refers to are the following:
  - (i) International Standards and Recommended Practices, Aeronautical Communications, Annex 10 to the Convention of International Civil Aviation, Volume I (Radio Navigation Aids) Fifth Edition of Volume I-July 1996, International Civil Aviation Organization.
  - (ii) International Standards and Recommended Practices, Aerodromes, Annex 14 to the Convention of International Civil Aviation, Volume I, Aerodrome Design and Operations, Third Edition-July 1999, International Civil Aviation Organization

#### **34.9.5**

- (a) Subject to subparagraph (b) of this paragraph, at least four (4) weeks before the Authorized Entity installs and operates a base transceiver station or repeater station, it must:
  - (i) Conduct an assessment study on public exposure to electromagnetic fields in the area where the base transceiver station or the repeater station is to be installed and operate, taking into account all the contributing sources, including contributions from low frequency sources, in accordance with the methodology described in the Guidelines for Estimating Electromagnetic Fields, which are publicly available on the website of the Department of Electronic Communications. The study on public exposure to electromagnetic fields should be prepared by an approved person, included in the List of

Approved Persons, which is publicly available on the website of the Department of Electronic Communications ([www.mcw.gov.cy/dec](http://www.mcw.gov.cy/dec)). The overall assessment of electromagnetic fields should be compared with the National Exposure Limits.

- (ii) Submit to the Director the prescribed Installation of a Station Notification Form, which is publicly available on the website of the Department of Electronic Communications.

It is understood that if, as a result of the study assessing public exposure to electromagnetic fields, referred to in subparagraph (i), the exposure coefficient, as defined in the Guidelines for Estimating Electromagnetic Fields, exceeds 30%, the Authorized Entity shall submit to the Director together with the prescribed notification form, the whole study conducted to reach this result, and in such case the Authorized Entity shall not proceed to install the broadcasting station, without first obtaining the prior approval of the Director, who shall notify in writing his decision to the Authorized Entity within four (4) weeks from the date of the study.

- (b) In the event of modification of the technical characteristics of the base transceiver station or the repeater station which operates and in respect of which all the required permits have been secured, the Authorized Entity shall conduct a new assessment study of electromagnetic fields and notify the Director of its intention to amend the operating characteristics of the base transceiver station or the repeater station at least two (2) weeks prior to the operation of the station with the new characteristics, by completing the prescribed Notification Form, giving the results of the new assessment study of electromagnetic fields which it has conducted.

**34.9.6** In case the Radio Equipment causes interference to systems that are related to national security, defense or public security, the Authorized Entity is obligated to stop operating the said stations, if requested in writing by the Director.

**34.9.7** The Authorized Entity is responsible to ensure that its Radio Equipment complies with the provisions of Part IV of the Radiocommunications (Radio Equipment) Regulations of 2003 to 2011, as amended or replaced from time to time.

**34.9.8** The Authorized Entity is required to operate the Radio Equipment with such operating parameters (emission characteristics, antenna radiation pattern etc.) so that at any

location in the area of operation of the Radio Equipment, the exposure levels of the public to electromagnetic fields, taking account all the contributing sources, including contributions from low frequency sources, do not exceed the established National Limits on Exposure to Electromagnetic Fields.

**34.9.9** The Authorized Entity required to ensure that the Radio Equipment operates in accordance with the requirements set out in paragraph 34.9. If as a result of the installation and operation of Radio Equipment by the Authorized Entity, the above requirements are not met, the Director reserves the right to modify the operating parameters of the station or stations or restrict the use or order the temporary or permanent closure of the station under Article 11 of the Law.

**34.9.10** The Authorized Entity shall ensure that the Radio Equipment is operated by persons who are duly authorized by the Authorized Entity, and that such persons operate the Radio Equipment as prescribed in the Authorization, complying with all the terms and conditions attached to it.

**34.9.11** In case it is determined that any of the terms and conditions of the Authorization have been breached by a person, other than the Authorized Entity or a person duly authorized by the Authorized Entity, the Authorized Entity shall be prima facie responsible for the aforementioned breach and shall be subject to the sanctions prescribed in the Law and the Regulations issued there under.

**34.10** Request for Frequency Coordination

**34.10.1** The Authorized entity is obliged to respond to any request for coordination within thirty (30) days from the date of receipt of such written request.

**34.10.2** In the event that following a request for coordination, a coordination agreement cannot be achieved, the subject is referred to the Director for taking the final decision on frequency coordination.

**34.10.3** In cases where it is required to coordinate with other radiocommunications systems outside the Republic of Cyprus, the Director may request the Authorized Entity to submit any information related to frequency coordination, to enable the Director to initiate the international coordination process:

It is understood that in this case, the Director may amend the Authorization accordingly, in order to apply the relevant international coordination agreement.

It is further understood that in cases where the Director is required to coordinate with other



radiocommunications systems outside the Republic of Cyprus, the Authorized Entity upon mutual agreement in writing with the Director shall pay to the Director all expenses, related to the international coordination process.

**34.10.4** Due to the existing situation there is no coordination with the occupied areas of Cyprus.

**34.11** Access and Inspection

The Authorized Entity is obliged to allow any officer authorized by the Director:

- (a) to access the Radio Equipment, and
- (b) to inspect the conformity of the Authorized Entity with the terms of the Authorization and to examine and test the Radio Equipment, at any reasonable time or, when in the opinion of the Director an urgent situation occurs at any time, in order to make sure that the Radio Equipment is used in accordance with the terms of the Authorization.

**34.12** Amendment, Restricted Use and Closure

**34.12.1** Subject to Articles 29 and 30 of the Law, the Director may require the immediate amendment or the restriction of the use of the Radio Equipment or any part of it , or demand the immediate temporary or permanent closure of the station if in his opinion:

- (a) there has been a breach of the terms and conditions of the authorization, and /or
- (b) the use of the Radio Equipment causes or contributes to harmful interference to any other authorized radiocommunications system and /or
- (c) the operation of the Radio Equipment violates an international coordination arrangement with another state.

**34.12.2** The Minister may, when a state of emergency is proclaimed, demand the modification or restriction of the use of the Radio Equipment, or temporarily or permanently close down the Radio Equipment, either immediately or on the expiry of such period as he may be specify. The Minister shall exercise this power by an advance written notice served to the Authorized Entity.

**34.13** Provision of Information

**34.13.1** The Authorized Entity shall have in its possession the original Authorization and, if

requested to do so, present it to all persons duly authorized by the Director.

**34.13.2** During the period of validity of the Authorization and for six (6) months after the expiry of this period, the Authorized Entity shall collect and maintain accurate data in relation to the Radio Equipment, as follows:

- (a) The postal Address of each station.
- (b) The geographical coordinates (longitude and latitude) of each station.
- (c) The antenna height and type of each station.
- (d) The radiation pattern of the antenna of each station.
- (e) The frequencies which are in operation for each station.
- (f) The EIRP (effective isotropically radiated power) in dBW per channel for each station.
- (g) Current representative measurements of the electromagnetic radiation levels resulting from the emissions of each station covered by the Authorization. These measurements will be made by the Authorized Entity in accordance with the methodology described in the Instructions for Evaluation of Public Exposure to Electromagnetic Fields<sup>12</sup>. These measurements shall be repeated every six (6) months and shall be prepared by an authorized person, who is included on the List of Approved Persons, which is publicly available on the website of the Department of Electronic Communications.

**34.13.3** The Authorized Entity shall submit to the Director copies of the data referred to in paragraph 34.13.2, whenever requested by the Director to do so and in the form (printed and/or electronic) that will be request by the Director.

**34.13.4** The Authorized Entity shall provide in a period of no more than two (2) weeks, all the necessary information on the operation of its Radio Equipment to another interested or authorized entity or, as the case may be, whenever such entity requests such information for the purposes of conducting a study for the assessment or evaluation of public exposure to

---

<sup>12</sup> “The Guidelines for the Evaluation of Public Exposure to Electromagnetic Fields” means the guidelines set by the Director by a decision published in the Official Gazette which includes the methodology to be followed by authorized entities for conducting measurements of electromagnetic fields in the radiocommunications stations installed which form part of an electronic communications network.

electromagnetic fields, in the area where the station is established and operates the above Radio Equipment.

**34.14** Illegal activity in the occupied area of Cyprus

**34.14.1** The Authorized Entity is not allowed:

- (a) To carry out business illegally in the occupied areas of Cyprus.
- (b) To control another company or person or organization operating illegally in the occupied areas of Cyprus.
- (c) To be controlled by another company or person or organization operating illegally in the occupied areas of Cyprus.

**34.14.2** The Authorized Entity shall provide to the Director any information requested regarding its shareholder structure and the percentages and classes of shares and the percentage of capital that the Authorized Entity holds in other companies, individuals or organizations.

**35. Issuance of the Radiocommunications Authorization**

**35.1** If the Director determines that the provisional winner has satisfied the post auction requirements, subject to the provisions of paragraph 32.1, the Director decides to grant the Radiocommunications Authorization.

**35.2** The Director grants the Radio Authorization within thirty (30) days from the date of adoption of the decision to grant the authorization referred to in paragraph 35.1.

**PART VI – APPENDICES**

**NOTIFICATION  
THE 2/2013**

**CALL FOR THE SUBMISSION OF APPLICATIONS**  
**FOR AN AUCTION FOR THE GRANT OF INDIVIDUAL RIGHT OF USE OF RADIO**  
**FREQUENCIES IN THE BANDS 900 MHZ, 1800 MHZ, AND 2100 MHZ, FOR THE**  
**ESTABLISHMENT AND OPERATION OF A 3<sup>RD</sup> ELECTRONIC**  
**COMMUNICATIONS NETWORK FOR THE PROVISION OF ELECTRONIC**  
**COMMUNICATIONS SERVICES IN CYPRUS**

1. By this notice, issued under Regulation 12 of the Radiocommunications (Competition and Negotiation Procedures) Regulations of 2002, as amended, the Director of the Department of Electronic Communications of the Ministry of Communications and Works (to be referred to as “the Director”), acting in accordance with Article 24 of the Radiocommunications Laws of 2002, as amended, invites the submission of applications in a contest for the granting of an authorization to use radio frequencies (to be referred to as “the Radiocommunication Authorization”).
2. The Radiocommunications Authorization will be granted through a bidding process (auction). The contest documents for the “Auction for the Grant of Individual Right of use of Radio Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3rd Electronic Communications Network for the Provision of Electronic Communication Service” with reference code: THE Δ1/2013 are posted on the Department of Electronic Communications website ([www.mcw.gov.cy/dec](http://www.mcw.gov.cy/dec)) and are available at the offices of the Department of Electronic Communications at 286 Strovolos Avenue, Strovolos 2048 (tel. +357 22 814 854).
3. For an interested party/applicant to be considered that it has received the contest documents, it must submit a duly completed and signed "Statement on Receiving the Contest Documents, Ref: THE Δ1/2013" (APPENDIX 4 of the contest documents), which is available at the addresses indicated in paragraph 2 above, and pay to the Director the amount of € 300 (three hundred euros), in cash or bank cheque. By submitting the above form and amount, the Director or his representative shall issue a written confirmation to be submitted as part of the application in order to satisfy the relevant participation criteria.
4. In the present contest the Radiocommunications Authorization shown in the table below will be offered to the market:

<b>Contest (Ref. Code)</b>	<b>Frequency Band</b>	<b>Bandwidth</b>	<b>Number of Authorizations</b>
THE Δ1/2013	900MHz	2x10MHz	1
	1800MHz	2x24.8MHz	
	2100MHz	2x15MHz	

5. The contest documents referred to in paragraph 2 above set out the criteria that must be satisfied by the interested entity so as to be entitled to apply (eligibility criteria), the criteria that must be met by applicants (selection criteria) so as to become qualified bidders entitled to participate in the auction, the general framework for conducting of the auction process, the post auction requirements, the policy and regulation framework and the conditions governing the Radiocommunications Authorization.

6. Interested entities wishing to apply must submit the required envelope to the Tender Box of the Department of Electronic Communications, at 286 Strovolos Avenue, 2048 Strovolos, Cyprus, no later than 24 July 2013 at 11:00 am. Applications, which due to their size cannot be placed in the Tender Box, must be delivered to the Director, who shall keep them in safe place. It is the responsibility of applicants to ensure that their application is received before the closing date for the submission of applications referred to in this paragraph.

**APPLICATION TO PARTICIPATE IN THE AUCTION “THE Δ1/2013”  
FOR THE GRANT OF A RADIOCOMMUNICATION AUTHORIZATION**

*(Please print or type all information below)*

**Part 1 – Applicant Details**

- 1. Name of Applicant: .....
- 2. Address (Street, P.O. Box, etc): .....
- 3. City: .....
- 4. Postal Code: .....
- 5. Country: .....
- 6. Legal Form and Ownership Status:                      Company                        
   Partnership                        
   other    .....

**Part 2 – Authorized Representative**

The person named below is nominated by the Applicant as its authorized representative. Unless otherwise indicated by the Applicant, all documentation pertaining to this contest process will be sent to the Authorized Representative.

- 7. Authorized Representative
- Name: .....
- Title: .....
- Telephone No.: .....
- E-mail Address: .....
- Fax No.: .....
- Mailing Address: .....

**Part 3 – Designated Bidders**

The persons listed below are nominated by the Applicant as its designated bidders.

8(a). Designated Bidder No. 1.

- Name: .....

Title: .....

Telephone No.: .....

E-mail Address: .....

Fax No.: .....

Mailing Address: .....

Signature of Designated Bidder No. 1 ..... Date:.....

8(β). Designated Bidder No. 2.

Name: .....

Title: .....

Telephone No.: .....

E-mail Address: .....

Fax No.: .....

Mailing Address: .....

Signature of Designated Bidder No. 2 ..... Date:.....

8(γ). Designated Bidder No. 3.

Name: .....

Title: .....

Telephone No.: .....

E-mail Address: .....

Fax No.: .....

Mailing Address: .....

Signature of Designated Bidder No. 3 ..... Date:.....

**Part 4 – Consent and Authority**

9. Prohibition of Collusion

I, the undersigned, certify that the Applicant:

- has not entered into and will not enter into any agreements or arrangements of any kind with any competitor



regarding the amount to be bid, or any bidding strategies on which the Applicant or competitors will or will not bid;

- has not made and will not make any deal with equipment suppliers (including software vendors) on the restriction of the ability of these suppliers to supply equipment to other competitors.

For the purposes of this certification, the word “competitor” means any entity, other than the Applicant or any Associated Entity, who could potentially be a bidder in this auction based on its qualifications, abilities or experience.

#### 10. Similar Right of Use

I, the undersigned, certify that I have read and understand the contents of the Contest Documents for the “Auction for the grant of individual right to use frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref. code: THE Δ1/2013, and assure that the applicant meets the terms and conditions in connection with an organization or a company, which already has a similar right to use, which has been granted by the Republic of Cyprus, as specified in paragraph 25.2 of the Tender Documents.

#### 11. Reserved Price

I, the undersigned, certify that I have read and understood the contents of the Contest Documents on “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref. code THE Δ1/2013 and assure that the Applicant accepts the reserved price in case the Applicant becomes qualified bidder.

#### 12. Participation Guarantee and Period of Validity of Application

I, the undersigned, certify that I have read and understood the contents of the Contest Documents for the “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref. code THE Δ1/2013 and assure and agree, on behalf of the Applicant, that the Applicant is bound by the provisions related to the participation guarantee, as applicable, and also assure and agree, on behalf of Applicant, that the Applicant accepts and is bound by the provisions relating to the period of validity of its application, as applicable.

### 13. Publication of Information

I consent to the publication of all data contained in this application form and the attached appendices, except the information given in the form "Deed of Acknowledgement of THE Δ1/2013", the list of the names of Designated Bidders, the participation guarantee, the business plan, and any trade agreements and other information of commercial or operational nature which the applicant qualifies as confidential. Δημοσίευση Πληροφοριών.

### 14. Replacement

The Applicant shall not replace any of the Designated Bidders listed in Part 3 of this application form after submitting the application.

### **Part 5 – Appendices to the Application Form**

15. I have completed, signed and attached as Appendix A to this application, the form entitled “Deed of Acknowledgement of Contest THE Δ1/2013” (APPENDIX 3 as specified in paragraph 2 of the Contest Documents).

16. I have attached as Appendix B to this application, the form entitled “Participation Guarantee in the Contest THE Δ1/2013” (APPENDIX 6, as specified in paragraph 12 of the Contest Documents).

17. I have completed, signed and attached as Appendix C to this application, the form entitled “Declaration of Ownership and Control” (APPENDIX 7, as specified in paragraph 26.1 of the Contest Documents), along with all required supporting documents.

18. I have completed, signed and attached as Appendix D to this application, the form entitled “Declaration on Illegal activity in the occupied area of Cyprus” (APPENDIX 8, as specified in paragraph 26.2 of the Contest Documents).

19. I have completed, signed and attached as Appendix E to this application, the business plan for the first six (6) years of the operation of the network of the Applicant and the form entitled “Declaration on Financing Activities” (APPENDIX 9, as specified in paragraph 26.3 of the Contest Documents), along with all required supporting documents.

20. I have completed, signed and attached as Appendix F to this application, the form entitled “Declaration on the experience and expertise” (APPENDIX 10, as set out in paragraph 26.4 of the Contest Documents).

21. I have attached as Appendix G to this application, the written confirmation of the Director or his representative (as specified in paragraph 13 of the Contest Documents)

### **Part 6 – Authorized Signature**

#### 22. Signature

I certify that I, the undersigned, have read and understood the contents of the Contest Documents entitled “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref. code THE Δ1/2013 and assure that the above certifications, declarations, consents and assurances, all references and everything stated in this application form and the attached Appendices are accurate and correct. It is understood that if this application form proved false, substantially inaccurate and/or incomplete in any respect, then:

- (a) the Applicant shall be disqualified from the Contest and/or expelled from the auction and / or any decision granting him a Radiocommunications Authorization shall be revoked and

- (b) the Applicant's bids shall be cancelled and
- (c) the Applicant's participation guarantees shall be forfeited and
- (d) any Radiocommunications Authorization, which may have already been granted to the Applicant as a result of the auction shall be revoked without refunding any amount already paid.

.....  
Signature of Applicant or his Authorized representative - Company Stamp (if applicable)

Full Name: .....

Date: .....

**DEED OF ACKNOWLEDGEMENT OF THE CONTEST “THE Δ1/2013”**

**From:** Name of Applicant (“Applicant”) .....

Having regard to:

- (a) the intention of the Director of Electronic Communications of the Ministry of Communications Works to conduct an auction in accordance with the contents of the Contest Documents for the “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref. code THE Δ1/2013 and dated: May 31, 2013, and
- (b) any decision of the Director regarding the participation of the Applicant in the auction,

The Applicant undertakes and agrees to the following:

1. to accept all the terms and conditions of the auction process as specified in the Contest Documents and the Bidder’s Package (which will be issued before the start of the auction) concerning the “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services”, which shall be binding on him, and
2. to pay any debt or financial obligation to the Republic of Cyprus that the Applicant may incur as a result of his participation in the auction and, without limiting the generality of the foregoing, to honour all the Applicant’s bids during the auction, and all expenses and amounts that may arise owing in relation to withdrawal and/or imposition of the penalty of forfeiture of his participation guarantee.

This Deed of Acknowledgement comes into force on the date fixed for the submission of applications, as stated in paragraph 5.1 of the Contest Documents.

.....  
Signature of Applicant or Authorized Representative

Full Name: .....

Date: .....

**Declaration on Receiving the Contest Documents**

**Ref. code: THE Δ1/2013**

*(Please print or type in all the information below)*

**Part 1 – Personal Details of Interested Person/Applicant**

1. Name of Interested Person /  
Applicant: .....
2. Address (Street, P.O. Box, etc): .....
3. City: .....
4. Postal Code: .....
5. Country: .....
6. Legal Form and Ownership Status:                      Company
- Partnership
- other                      .....

**Part 2 – Authorized Representative**

The person named below is nominated by the Interested Person /Applicant as his authorized representative. All documents issued until the deadline for the submission of applications in connection with this Contest, shall be sent to the Authorized Representative.

- Name: .....
- Title: .....
- Telephone No.: .....
- E-mail Address: .....
- Fax No.: .....
- Mailing Address: .....

**Part 3 – Authorized Signature**

I certify that I, the undersigned, as the authorized representative of the above mentioned Interested Person/ Applicant, have received the Contest Documents for the “Auction for the Grant of Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services” with ref.code THE Δ1/2013, and agree to pay to the Director of the Department of Electronic Communications of

the Ministry of Communications and Works the sum of € 300 (three hundred euros), in cash or bank cheque.

.....

Signature of Applicant or Authorized Representative

Full Name: .....

Date: .....

## APPENDIX 5

**BANK GUARANTEE TEMPLATE**  
**Expiry date .....**

To

The Director of the Department of Electronic Communications of the Ministry of Communications and Works

Dear Sir,

**Bank Guarantee no: .....**

We have been informed that -----  
 (hereinafter referred to as “the Authorized Entity”) has been granted an **Individual Right to use Radio Frequencies (in the bands 900 MHz, 1800 MHz, and 2100 MHz) from Base Transceiver Stations and Repeater Stations of an Electronic Communications Network** (hereinafter this individual right to be referred to as “the Authorization”) and that the terms of Authorization provide for the submission by the Authorized Entity of a Bank Guarantee for the amount of € ----- (in words)-----  
 ----- Euro and -----cent (hereinafter referred to as “the Guaranteed Amount”), we the undersigned bank/credit institution, at the request of the Authorized Entity, waiving all rights of objection and defense under this Authorization, hereby, irrevocably and without any reference to and notwithstanding any objection by the Authorized Entity, undertake to pay you without delay (and at the latest within 3 working days), the Guaranteed Amount upon receipt by us of your first demand in writing stating that the Authorized Entity has failed to pay the authorization fees envisaged in the terms of Authorization. The Guaranteed Amount will be reduced by the amounts paid under the terms of the Authorization.

2. It is understood that any change, modification, addition or amendment which may be made to the Authorization or any settlement in relation to it, shall not in any way release us from our obligations and liabilities under this Guarantee, and we hereby expressly waive our right to consent to or to receive notice, of any such change, modification, addition, amendment or settlement.

3. This Guarantee shall remain in force up to and including the expiry date mentioned above and any demand from you in respect thereof must be received by us on or before that date (or, if that date is a bank holiday, up to and including the last bank working day before

that date). After that date, and provided that no written demand from you has been received by us by then, this Guarantee shall be deemed to be void, whether it has been returned to us or not.

4. This Guarantee shall be governed by and construed according to the laws of the Republic of Cyprus and shall fall within the jurisdiction of the courts of the Republic of Cyprus.

Sincerely,

{ Affix here }  
Stamps

.....  
(Signature and stamp of the Bank)

Date: .....



SAMPLE LETTER

## PARTICIPATION GUARANTEE FOR THE CONTEST “THE Δ1/2013”

**Expiry date .....**

To

The Director of the Department of Electronic Communications of the Ministry of Communications and Works

Dear Sir,

**Bank Guarantee No -----****Contest No.: THE Δ1/2013**

Whereas, Messrs -----( hereinafter to be referred to as “the Applicant” have submitted an application to participate (hereinafter to be referred to as the “Application”) in a contest the object of which is “ Auction for the Grant of an Individual Right to use Frequencies in the bands 900 MHz, 1800 MHz, and 2100 MHz, for the Establishment and Operation of a 3<sup>rd</sup> Electronic Communications Network, for the Provision of Electronic Communication Services, with ref. code THE Δ1/2013 (hereinafter to be referred to as “the Contest”) and whereas the terms and conditions of the Contest provide for participation guarantees to be given by the Applicant for the amount of €700,000 (seven hundred thousand euros)(hereinafter to be referred to as “ the Participation Guarantee Amount”), at the request of the Applicant, we the undersigned bank/credit institution, waiving all rights of objection and defense in respect of the said Application, hereby, irrevocably and without any reference to and notwithstanding any objection by the Applicant, undertake to pay you without delay (and at the latest within 3 working days) the Participation Guarantee Amount, upon receipt by us of your first demand in writing stating that the Applicant:

- (a) owes moneys as a result of being standing high bidder and/or provisional winner of the license at the close of the auction; and/or
- (b) owes moneys for penalties imposed on him and/or
- (c) has not met all requirements as a result of being standing high bidder and/or provisional winner at the close of the auction and/or
- (d) has not accepted the reserve price for the auction and/or
- (e) has withdrawn his application to participate in the Contest after the deadline set for the submission of applications and/or

- (f) has been excluded or expelled from the Contest and/or
- (g) has not satisfied any other provision and / or obligation, in respect of which according to the Contest Documents or the Bidder's Package the forfeiture of the participation guarantee is allowed.

2. This Guarantee shall remain in force up to and including the expiry date mentioned above and any demand from you in respect thereof must be received by us on or before that date (or, if that date is a bank holiday, up to and including the last bank working day before that date). After that date, and provided that no written demand from you has been received by us by then, this Guarantee shall be deemed to be void, whether it has been returned to us or not.

3. This Guarantee shall be governed by and construed according to the laws of the Republic of Cyprus and shall fall within the jurisdiction of the courts of the Republic of Cyprus.

Sincerely,

[Bank/Credit institution]  
(Signature and seal)

{ Affix here }  
Stamps

Date: .....

*[Notes to the applicant and the credit institution:*

1. *The 24<sup>th</sup> of April 2014 must be written as the expiry date]*

**DECLARATION OF OWNERSHIP AND CONTROL**  
(CONTEST WITH REF. CODE: THE Δ1/2013)

I, ..... (Applicant’s full name) do hereby make the following statements that I certify that the Applicant complies with the requirements on ownership and control referred to in paragraph 26.1 of the Contest Documents to be true and complete in every respect.

The following supporting documents are attached:

**1. Incorporation Documents**

1.1 The incorporating documents of the applicant company, including the articles of association, the memorandum of association and all agreements relating to control matters for the applicant company and any related company. In case the applicant company has been incorporated on the basis of paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

1.2 A narrative, explaining the ownership and control structure of the applicant company. In case the applicant company has been incorporated in accordance with paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

**2. Shareholdings**

2.1 The details of the authorized and issued shares for each class of shares of the applicant company. In case the applicant company has been incorporated on the basis of paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

2.2 The details of the rights, privileges, restrictions and conditions of each class of shares of the applicant company. In case the applicant company has been incorporated on the basis of paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

2.3 The details of the beneficial ownership by of each class of shares of the applicant company in third companies. In case the applicant company has been incorporated on the basis of paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

2.4 The details of the identity of the shareholders holding percentage equal or higher than 10% of the shares. In case the applicant company has been incorporated on the basis of paragraph 26.1.2 of the Contest Documents, then additionally the submission of the above mentioned documents relating to each one of the legal persons making up the applicant company is required.

.....  
Signature of the Applicant / or Authorized Representative - Company Stamp (if applicable)

Full Name: .....

Date: .....

**DECLARATION ON ILLEGAL ACTIVITY IN THE  
OCCUPIED AREAS OF CYPRUS**  
(CONTEST WITH REF. CODE: THE Δ1/2013)

I, ..... (full name of applicant) hereby declare and assure that:

- (a) I do not carry out business illegally in the occupied areas of Cyprus.
- (b) I do not control another company or person or organization engaged illegally in the occupied areas of Cyprus.
- (c) I am not controlled by another company or person or organization engaged illegally in the occupied areas of Cyprus.

.....

Signature of Applicant or Authorized representative - Company Stamp (if applicable)

Full Name: .....

Date: .....

**DECLARATION ON FINANCING ACTIVITIES**  
(CONTEST WITH REF. CODE: THE Δ1/2013)

I, ..... (full name of applicant) hereby declare and assure that on the basis of the business plan that I have submitted, in accordance with paragraph 26.3 of the Contest Documents, I possess and or I am able to secure adequate financial resources to establish and operate the relevant electronic communications network for the provision of electronic communications.

.....

Signature of Applicant or Authorized Representative - Company Stamp (if applicable)

Full Name: .....

Date: .....

**DECLARATION ON THE EXPERIENCE AND EXPERTISE**

(CONTEST WITH REF. CODE: THE Δ1/2013)

I, ..... (full name of applicant) hereby declare and assure that:

- (a) I have experience and expertise of at least two (2) years in the operation of wired and/or wireless electronic communications network and/or the provision of electronic communications services in a competitive environment, and/or
- (b) I have secured the services of persons, natural and/or legal, which have experience and expertise of at least two (2) years in the operation of wired and/or wireless electronic communications network and/or the provision of electronic communications services in a competitive environment.

.....  
Signature of Applicant or Authorized Representative - Company Stamp (if applicable)

Full Name: .....

Date: .....