



**GUIDELINES FOR APPLICATION OF INTERNET-OF-THINGS NETWORK AND
SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (IoT-NSP)
LICENCE**

RECORD OF REVISION	EFFECTIVE DATE
Version 1.0	1 September 2024

CONTENTS

1	PURPOSE.....	1
2	DEFINITIONS	1
3	OVERVIEW	2
4	INTERNET-OF-THINGS NETWORK AND SERVICE PROVIDER FOR THE TELECOMMUNICATION INDUSTRY (IOT-NSP) LICENCE.....	2
5	APPLICATION FOR INTERNET-OF-THINGS NETWORK AND SERVICES PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (IOT-NSP) LICENCE.....	4
6	FEE STRUCTURE	7
7	ENQUIRIES	7
8	PUBLIC REGISTER.....	7

APPENDICES:

- APPENDIX A: (I) Checklist on the Submission Requirements for an Internet-of-Things Network and Service Provider for the Telecommunications Industry (IoT-NSP) Licence Application
(II) Information Requirements for an Internet-of-Things Network and Service Provider for the Telecommunications Industry (IoT-NSP) Licence Application
- APPENDIX B: Sample IoT-NSP Licence with Terms and Conditions

1 PURPOSE

- 1.1 The purpose of this document is to set out the details of the Internet-of-Things Network and Service Provider for the Telecommunications Industry (IoT-NSP) Licence that AITI will be issuing, the governing terms and conditions, the procedures for application and the fee structure.
- 1.2 Please note that this document is only intended as a guide for parties interested in applying for an IoT-NSP Licence from AITI. AITI reserves the right to change its policies and to amend this document from time to time as it sees fit and without prior notice. The contents of this document are not intended as a substitute for legal advice. Applicants should seek advice from their own legal counsel before submitting an application. In any event, the terms applicable to a particular licensee will be in accordance with the actual IoT-NSP Licence that is issued to that licensee.
- 1.3 The granting of an IoT-NSP Licence is at the sole discretion of AITI. AITI reserves the right to disclose information regarding the identity of the parties who have submitted applications for an IoT-NSP Licence.

2 DEFINITIONS

- 2.1 The following definitions are used in this document:

"AITI" or "the Authority" means Authority for Info-communications Technology Industry of Brunei Darussalam;

"CPE" means Customer Premises Equipment;

"Infrastructure" includes infrastructure, systems, networks, facilities and other equipment (except for CPE);

"InTi" means Infrastructure Provider for the Telecommunications Industry;

"IoT-NSP" means Internet-of-Things Network and Service Provider for the Telecommunications Industry;

"Order" means the Telecommunications Order, 2001;

"payment" means payment made directly to the Authority's bank account;

"person" includes a corporate entity; and

"SeTi" means Service Provider for the Telecommunications Industry.

3 OVERVIEW

- 3.1 Under Section 3 of the Telecommunications Order, 2001 (the "Order"), AITI has the exclusive privilege for the operation and provision of telecommunication systems and services in Brunei Darussalam. AITI may, under Section 5 of the Order, grant licences to a person to operate telecommunications systems and services, subject to conditions imposed by AITI. Any person who provides a telecommunication system or service within Brunei Darussalam without a licence granted under Section 5 commits an offence under Section 33 of the Order. Sections 33(1) and 33(2) of the Order provides that a fine of up to **B\$100,000.00** can be imposed by AITI for the offence of providing an unlicensed telecommunication service, and further fine of up to **B\$10,000.00** every day for a continuing offence after conviction.

4 INTERNET-OF-THINGS NETWORK AND SERVICE PROVIDER FOR THE TELECOMMUNICATION INDUSTRY (IOT-NSP) LICENCE

- 4.1 An IoT-NSP is any person who owns, deploys and operates an IoT network for machine-to-machine (M2M) data-only communication¹ using the allowed range of unlicensed frequency bands to provide its own IoT services to be offered to third parties².
- 4.2 The allowed range of unlicensed frequency bands are:
- 4.2.1 866-870 MHz.
 - 4.2.2 920-925 MHz.
 - 4.2.3 Any other frequency bands as determined by the Authority.

The use of the unlicensed frequency bands is subject to the Telecommunications (Exemption from Sections 33, 34(1) (b) and 35) Order, 2001 Notification 2018.

- 4.3 All backhaul connectivity services must go through the infrastructure provided by an InTi and/or SeTi Licensee.
- 4.4 IoT network includes any IoT system, facilities and equipment for the carriage of data exchange between physical and virtual devices or "thing". IoT services refers to the applications and functionalities that arise from the interconnected network of devices and the data they generate. Such data exchange can be domestic or international in nature, and coverage may also be nationwide or localised.
- 4.5 An applicant for an IoT-NSP Licence from AITI must be:
- 4.5.1 a business registered under the Business Names Act (Chapter 92);
 - 4.5.2 a company incorporated under the Companies Act (Chapter 39);
 - 4.5.3 a Brunei Darussalam government agency;
 - 4.5.4 a body corporate established by or under any written law; or

¹ This refers to the exchange of automated data-only machine-to-machine (M2M) communications and does not include real-time voice communications or any other service subject to licensing under the *Telecommunications Order, 2001*.

² Such third parties can include other InTi or SeTi licensees, consumers and corporate customers.

- 4.5.5 such other persons as the Authority considers appropriate.
- 4.6 Where the applicant is a joint venture between a local and a foreign party, or if any foreign party controls or holds any shares conferring voting rights (whether directly or indirectly), the foreign party must not have majority control or voting power in the applicant.
- 4.7 A foreign party is deemed to have a majority vote or have control of an applicant if:
- 4.7.1 the foreign party has the power or right (whether directly or indirectly through one or more other persons or entities, and whether alone or together with one or more other foreign parties) to appoint or remove the majority of the directors of the applicant or otherwise controls or has the power or right to determine the composition of the board of directors of the applicant; “control” in this context refers to the ability or power to exercise a significant influence over the composition of the board of directors of the applicant;
 - 4.7.2 the foreign party possesses, controls or has the right to exercise (whether directly or indirectly through one or more other persons or entities and whether alone or together with one or more other foreign parties) more than half of the voting power at a general meeting or board meeting of the applicant; “control” in this context refers to the ability or power to exercise a significant influence over the voting at a general meeting or board meeting of the applicant; or
 - 4.7.3 if the foreign party holds or owns or has an interest in (whether directly or indirectly through one or more other persons or entities and whether alone or together with one or more other foreign parties) more than half of the issued share capital of the applicant (including preference and other shares as long as such shares confer voting rights); “interest” in this context includes any beneficial or equitable interest or ownership, or interest conferred as a result of any instrument of trust.
- 4.8 A “foreign party” includes:
- 4.8.1 in the case of an individual, anyone who is not a Brunei Darussalam citizen; and
 - 4.8.2 in the case of a company, partnership, unincorporated body or association, body corporate or other entity, any such company, partnership, unincorporated body or association, body corporate or other entity (whether established or incorporated in or outside Brunei Darussalam) which is ultimately owned (whether partially or wholly) or controlled, by one or more persons who are not Brunei Darussalam citizens or by one or more entities incorporated or established outside Brunei Darussalam. “Control” in this context refers to the ability or power to exercise a significant influence over management and decision-making.
- 4.9 The application process for the IoT-NSP Licence is described in the next section. After an IoT-NSP Licence has been granted, at least six (6) months prior to the expiry of the licence, the licensee will be required to submit a renewal application to AITI, together with the payment

of any applicable renewal fees. The application submitted shall contain updated information and plans of the licensee for the next licensed period for the Authority's approval.

5 APPLICATION FOR INTERNET-OF-THINGS NETWORK AND SERVICES PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (IOT-NSP) LICENCE

5.1 An application of IoT-NSP Licence should be made in accordance with the requirement as set out in **Appendix A**, with all the required information provided. The absence of any requested information may invalidate the application. AITI may seek necessary clarifications or additional information from the applicant regarding the information provided in the application. An applicant will be bound by the contents of its application submission and must make every effort to ensure the accuracy of the information submitted. A declaration regarding the truth, accuracy and completeness of the information submitted must be made at the end of each application.

5.1.1 The applicant is to submit two (2) hardcopies of the completed application and one (1) editable softcopy in Microsoft Office format to AITI at the following address:

APPLICATION FOR INTERNET-OF-THINGS NETWORK AND SERVICE PROVIDER FOR THE TELECOMMUNICATIONS INDUSTRY (IoT-NSP) LICENCE

Chief Executive
Authority for Info-communications Technology Industry of Brunei Darussalam
Block B14, Simpang 32-5,
Kg. Anggerek Desa, Jalan Berakas,
Bandar Seri Begawan BB3713,
Brunei Darussalam

Attention: Licensing Unit

5.1.2 A non-refundable application fee described in **Section 6** of this document is to be paid at the time the application is submitted. Such payment shall be attached and submitted with the application.

5.1.3 In the case of an approved application, the successful applicant shall make payment of the stipulated annual licence fee for the IoT-NSP Licence to AITI within thirty (30) calendar days and/or in accordance with such terms stipulated by AITI. Failure to pay such fee may be grounds for the licence to be cancelled, terminated or suspended. The fee is non-refundable, notwithstanding any subsequent cancellation, termination or suspension of the licence by AITI or the withdrawal by the applicant.

5.2 A successful applicant will be granted an IoT-NSP Licence as approved by AITI. The licence activity(ies) will be described in Part I of Schedule A of the licence. If the licensee intends to change or vary any parts described in Schedule A of the licence, the licensee must obtain the Authority's prior written approval (subject to any administrative fees being imposed) before

such activity(ies) can be deployed. AITI will issue an updated licence reflecting the necessary changes.

5.3 Upon the granting of the licence, the applicant must commence operations of the IoT network and/or services as stipulated within the licence. Failure to do so may result in the licence being cancelled, terminated or suspended by AITI. The applicant must also comply with the requirements set out under the licence such as the periodic submission of information to AITI, the continued payment of the annual licence fee and any other specific terms and conditions.

5.4 AITI will evaluate each IoT-NSP Licence application based on its merits, taking into consideration the following:

- 5.4.1 Vision of the applicant;
- 5.4.2 Organisational structure of the applicant;
- 5.4.3 Financial capability and strength of the applicant;
- 5.4.4 Competition strategies of the applicant for the provision of services;
- 5.4.5 Technical soundness of the applicant's plans;
- 5.4.6 Technical capability of the applicant to implement the plans;
- 5.4.7 Commitments of the applicant in fulfilling its vision and plans;
- 5.4.8 Benefits to the consumer and industry brought by the applicant;
- 5.4.9 Enhancement to the IoT network or system, capability, capacity and connectivity;
- 5.4.10 Level of technological and service innovation and responsiveness of the applicant;
- 5.4.11 Mechanism for customer to access services;
- 5.4.12 Partners in providing the network and services;
- 5.4.13 Competitive pricing;
- 5.4.14 Quality of service;
- 5.4.15 Level of customer support;
- 5.4.16 Any resource limitation and physical constraints; and
- 5.4.17 Any other information provided by the applicant.

5.5 A successful IoT-NSP Licence applicant (i.e., the Licensee) will be issued with a licence in the form similar to what is found in **Appendix B** of this document. The licence prescribes the regulatory framework through which AITI will regulate the Licensee, in addition to the provisions under the prevailing legislation. In addition, the Licensee will have to comply with any codes of practice, directions or advisory guidelines that AITI may issue from time to time under Sections 26, 27 and 28 of the Order respectively.

5.5.1 An annual licence fee will be payable by an IoT-NSP Licensee as per **Section 6** of this document. The licence fees are non-refundable, notwithstanding any cancellation, termination or suspension of the licence by AITI, or a withdrawal by the applicant after the approval for the licence has been granted.

5.5.2 The IoT-NSP Licence will be valid for a term of seven (7) years or as may be specified by AITI. The IoT-NSP Licence will be renewable upon written approval by the Authority and subject to terms that may be imposed by the Authority.

5.5.3 The Licensee shall:

- (a) abide by the directions and enforcement measures issued by the Authority;
- (b) meet its rollout commitments stipulated in the licence application;
- (c) address resource allocation issues as required by the Authority;
- (d) cooperate with other parties as directed by the Authority, such as providing access and interconnection with other licensees;
- (e) abide by the accountability principles imposed on the Licensee; and
- (f) adopt practices such as those that promote healthy competition and protect consumer interest.

5.6 **Figure 1** below illustrates the process flow for a IoT-NSP Licence application.

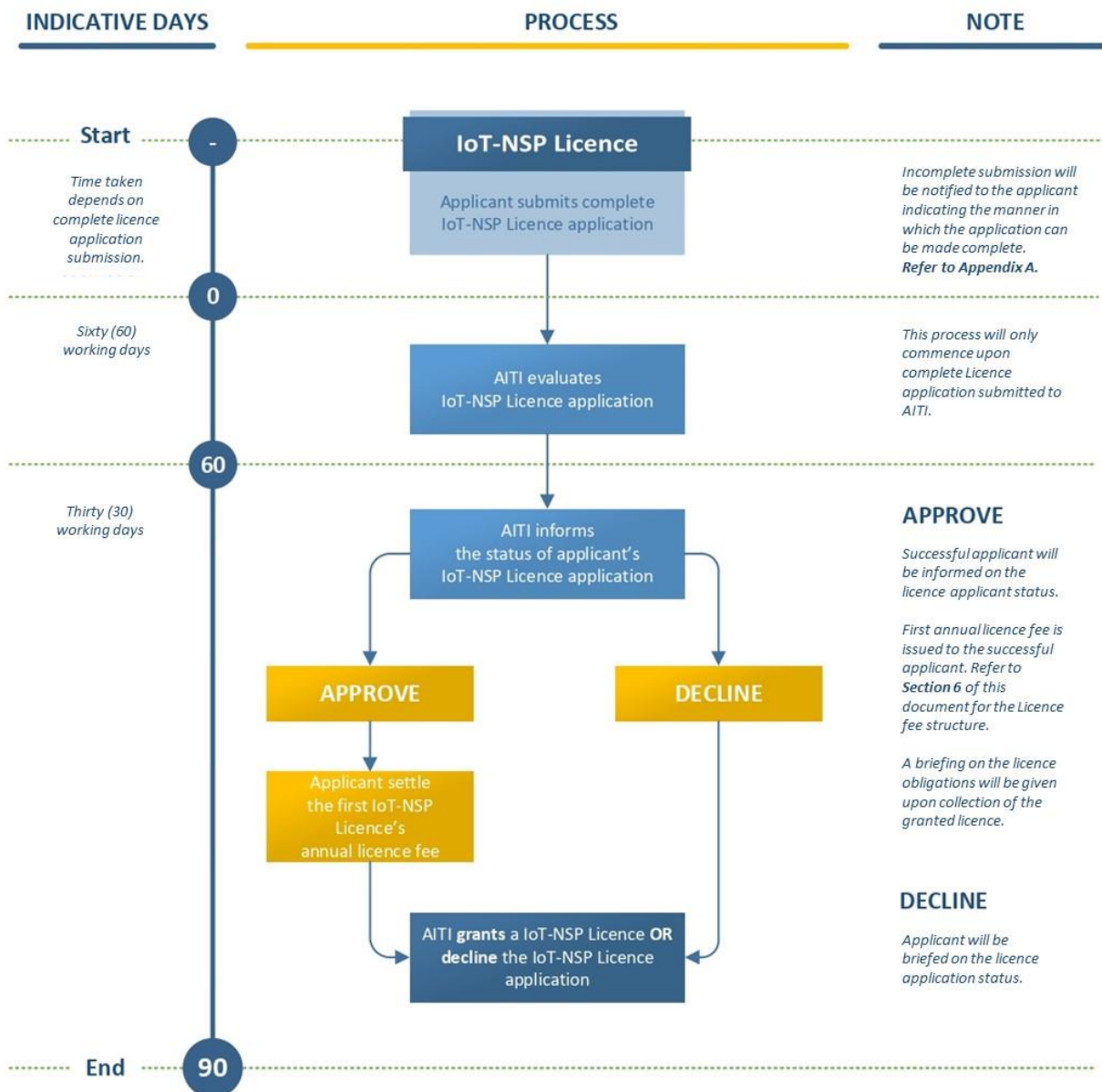


Figure 1: IoT-NSP Licence Application Process Flow

6 FEE STRUCTURE

6.1 AITI is empowered under the Section 5(2)(b) of the Order and Item (3) of the Second Schedule of the Authority for Info-communications Technology Industry of Brunei Darussalam (AITI) Order, 2001, to levy fees for the licences granted.

6.2 The applicable fee structure for IoT-NSP Licence is set out below:

Application Fee (non-refundable)	BND2,500 to be submitted with the application.
Annual Licence Fee	Minimum of BND5,000 per annum or 4.65% of AGTO (Annual Gross Turnover) to be charged on an annual basis, whichever is higher.
Payment Terms for Licence Fee	<ul style="list-style-type: none"> ▪ For approval of a new and renewal of IoT-NSP Licence application, the successful applicant shall make full payment within thirty (30) calendar days of invoice issue date. Failure to pay such fee may be grounds for the licence application to be cancelled, unless otherwise an approval to extend has been obtained. ▪ For every anniversary of a valid licence, the licensee shall make full payment within thirty (30) calendar days of invoice issue date. Failure to pay in full two (2) months after the due date, the Authority reserves the right to exercise its power under Section 8 of the Order, 2001. ▪
Licence Duration	Seven (7) years

7 ENQUIRIES

7.1 Any enquiries about the IoT-NSP Licence application process should be made in writing via e-mail to regulatory.info@aiti.gov.bn (Attn: *[Insert appropriate person/designation]*)

8 PUBLIC REGISTER

AITI will maintain a public register of all licensees that have been granted IoT-NSP Licence. The register can be found on AITI's website at <http://www.aiti.gov.bn>.

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(II) Information Requirements for an Internet-of-Things Network and Service Provider for the Telecommunications Industry (IoT-NSP) Licence Application

Refer to Appendix A

APPENDIX B: Sample IoT-NSP Licence with Terms and Conditions

Refer to Appendix B

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