



هيئة الاتصالات وتقنية المعلومات
Communications & Information
Technology Commission

Public Consultation

SPECTRUM AUCTION of “600 MHz, 700 MHz and 3800 – 4000 MHz” RADIO LICENSES for IMT

INFORMATION MEMORANDUM AND AUCTION RULES

Publishing Date: **27/2/2022**

Closing Date for Responses: **7/4/2022**

Table of Contents

1.	INTRODUCTION.....	5
2.	ABBREVIATIONS.....	7
3.	SPECTRUM TO BE AWARDED.....	8
4.	NEW ENTRANT AUCTION.....	31
5.	RETURN AUCTION	33
6.	THE REGULATORY OUTLOOK FOR SPECTRUM IN SAUDI ARABIA.....	35
7.	OVERVIEW OF THE AWARD PROCESS.....	37
8.	APPLICATION STAGE	40
9.	QUALIFICATION STAGE.....	43
10.	AUCTION RULES FOR THE SMRA.....	45
11.	GRANT STAGE.....	51
12.	TIMELINE.....	53
	ANNEX 1: 700 MHZ BAND - INTERFERENCE ENVIRONMENT MEASURES.....	54
	ANNEX 2: 600 MHZ BAND - INTERFERENCE ENVIRONMENT MEASURES.....	55
	ANNEX 3: RADIO LICENSE.....	63
	ANNEX 4: APPLICATION DOCUMENT	69



PREAMBLE - HOW TO RESPOND & NEXT STEPS

Introduction

The Communications and Information Technology Commission (CITC) is responsible, in accordance with the Telecom Act, Telecom Act Bylaw and CITC Ordinance; for managing radio spectrum for all users in the Kingdom of Saudi Arabia.

CITC continues to pursue its mission to protect consumers, promote investment and safeguard competition in order to ensure reliable communications services and innovative digital technologies, and is pleased to publish a Public Consultation document on its Information Memorandum for the “Spectrum Auction of 600 MHz, 700 MHz and 3800 – 4000 MHz Radio Licenses for IMT”.

Scope and objective

The purpose of this public consultation is to provide the relevant interested parties with an opportunity to submit their views and comments on the Information Memorandum for the “Spectrum Auction of 600 MHz, 700 MHz and 3800 – 4000 MHz Radio Licenses for IMT”. The Information Memorandum covers important auction elements such as lot structure for different bands, conditions and obligations associated with the auction, the nomination and competition mechanism, the reserved prices of different bands, and the application forms.

Submitting comments

Participants who wish to submit their views/comments on this Public Consultation Document must submit them to CITC no later than 7 April 2022. Views/comments can be submitted to one or more of the following addresses:

- By email to (auction@citc.gov.sa).
- Hand-delivered (paper and electronic) at the CITC premises.
- By mail (paper copy and electronic) to the following postal address: Communications and Information Technology Commission, Al-Nakheel District- Prince Turki Bin Abdul Aziz I Street intersection with Imam Saud Bin Abdul Aziz Road, PO Box 75606, Riyadh 11588, Saudi Arabia.

CITC invites all members of the public, including individuals, public organizations, and commercial entities to engage in this process by submitting comments. Participants are invited to provide their views in detail. CITC also encourages Participants to support their comments with relevant data, analysis, benchmarking studies and other information. CITC will take all comments into consideration during its deliberation process, but CITC is under no obligation to adopt the comments or proposals of any participant.

IMPORTANT NOTICE

Terms and expressions used in this Important Notice are as defined in this Information Memorandum.

This Information Memorandum has been prepared by the Communications and Information Technology Commission (CITC) in connection with the proposed grant of 600 MHz, 700 MHz and 3800 – 4000 MHz Radio Licenses for IMT by means of a competitive auction, pursuant to the Telecom Act of Saudi Arabia and CITC's Policy and Regulations for Frequency Bands Identified for IMT. This Information Memorandum is for informational purposes only. It is made available on the express understanding that it will be used for the sole purpose of assisting an interested party in deciding whether it wishes to participate in the award process.

This Information Memorandum is not intended to form any part of the basis of any investment decision or other evaluation of any decision to participate in the award process and should not be considered as a recommendation by CITC or CITC's advisers to participate in the award process. Each interested party must make its own independent assessment of the potential value of a 600 MHz Radio License, 700 MHz Radio License, 3500 – 3800 MHz Radio License or 3800 – 4000 MHz Radio License after making such investigation as it may deem necessary. All information contained in this Information Memorandum may be updated or amended at any time.

While the information contained in this Information Memorandum is accurate as at the date indicated on page 1, neither CITC nor any of CITC's advisers nor any of their respective directors, partners, officers or employees make any representation or warranty (express or implied) nor has nor will have any responsibility or liability in relation to the accuracy or completeness of the information contained in this Information Memorandum or any other written or oral information made available to any interested party or its advisers. Any responsibility or liability in respect of any such information or any inaccuracy in this Information Memorandum or omission from this Information Memorandum is expressly disclaimed.

This Information Memorandum does not constitute an offer or invitation to participate in the award process.

Interested parties should make their own investigation and decisions, including consulting with their own professional advisers on the financial, legal, auction practice and other matters, concerning any potential participation in the award process or any grant of a 600 MHz Radio License, 700 MHz Radio License, 3500 – 3800 MHz Radio License, or 3800 – 4000 MHz Radio License.

1. INTRODUCTION

- 1.1. The Communications and Information Technology Commission (CITC) is the authority in charge of regulating and promoting the communications and information technology industries in the Kingdom of Saudi Arabia (KSA). Pursuant to the Telecom Act and CITC's Policy and Regulations for Frequency Bands Identified for IMT, CITC will offer to grant 600 MHz Radio Licenses, 700 MHz Radio Licenses, and 3800 – 4000 MHz Radio Licenses, allocated according to the process described in this Information Memorandum ("award process"). The Radio Licenses will permit the use of the respective spectrum blocks to operate a telecommunication system for the purposes of providing International Mobile Telecommunication (IMT) services. This Information Memorandum contains important information that interested persons should read and understand for the purpose of participating in the award process.

Possibility of New Entry

- 1.2. As CITC has set out in its Spectrum Outlook, it will review each spectrum release on a case-by-case basis to optimize the role of competition. The upcoming award combines prime IMT spectrum in both sub-1 GHz for coverage and above 1 GHz for capacity, and will make Saudi Arabia the country with the largest amount of IMT spectrum globally in the sub-GHz and mid bands. While the main objective is to enable current service providers to deploy the most efficient IMT networks globally by using large contiguous channels, CITC is open to considering the possibility of introducing a new entrant if, for example, existing players do not show sufficient demand covering the provided supply of spectrum or if a global IMT player expresses interest in entering the Saudi market. CITC believes that the spectrum available in this award can potentially be used to enable a new entrant to roll out a network and offer competitive mobile services.
- 1.3. CITC is still studying the need for a new entrant in the mobile market. Entities that are interested in entering the mobile market in the KSA are invited to express their interest in response to this consultation.
- 1.4. CITC has set out its initial views on a suitable package for the potential new entrant in Section 4.

Return Auction

- 1.5. CITC would like to hear stakeholders' views on allowing any holder of spectrum in the 3400 – 3800 MHz band to sell their holdings. If there is interest, the spectrum could be offered to other existing license holders in the 3400 – 3800 MHz range and the new entrant (if any) in a separate Return Auction. It must be noted that this is different from the provided pre-auction exchange options.

Remainder of this document

1.6. This Information Memorandum is provided for parties interested in participating in these auctions. The remainder of this document is structured as follows:

- Section 2 includes a list of abbreviations used throughout the document;
- Section 3 includes a description of the spectrum to be awarded and options for different lot sizes if the spectrum is offered in a single auction to Facilities-based Unified Telecommunications License (USL) holders;
- Section 4 sets out what spectrum would be set aside in a New Entrant Auction. The section further sets out how the design of the auction presented in Section 3 would need to be changed to accommodate a set-aside for the new entrant.
- Section 5 sets out CITC's initial views on how the Return Auction could be conducted.
- Section 6 provides summary information on the regulatory outlook with regards to spectrum in the KSA;
- Sections 7 to 11 provide a detailed description of the award process without the New Entrant Auction or Return Auction. CITC will adapt these sections for the final award design; and
- Section 12 includes a timeline for the award process for the Auction. Note that the timeline will need to be adapted if CITC adopts a New Entrant Auction

2. ABBREVIATIONS

3GPP	3rd Generation Partnership Project
EAS	Electronic Auction System
IMT	International Mobile Telecommunications
ITU	International Telecommunication Union
KSA	Kingdom of Saudi Arabia
SDL	Supplemental Downlink
SMRA	Simultaneous multiple round ascending auction
USL	Facilities-Based Unified Telecommunications Services License

3. SPECTRUM TO BE AWARDED

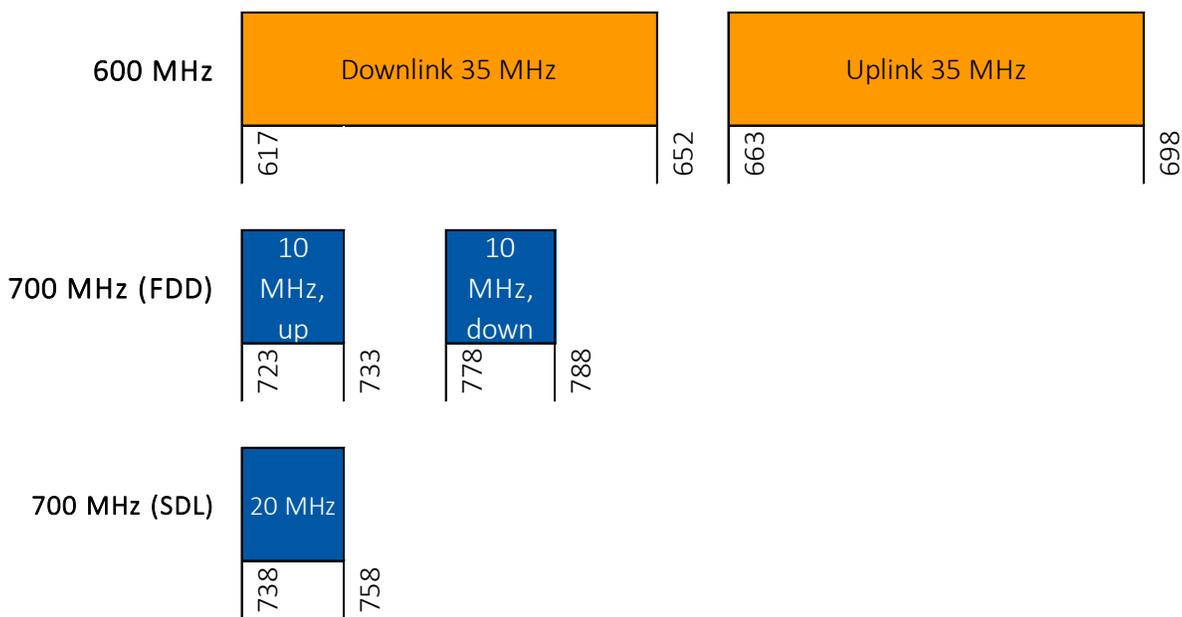
Technology neutrality

3.1. CITC shall not prescribe any specific technology to be used in any specific block awarded in this process, except requiring that the use complies with ITU standardized band plans and relevant ITU regulations.

Sub-1 GHz lot structure options

- 3.2. CITC will make a total of 110 MHz of sub-1 GHz spectrum in the 600 MHz and 700 MHz bands available. This includes:
- (a) 600 MHz band – 2x35 MHz paired spectrum in the frequencies 663-698 MHz (uplink) and 617-652 MHz (downlink).
 - (b) 700 MHz band – 2x10 MHz paired spectrum in the frequencies 723-733 MHz (downlink) and 778-788 MHz (uplink).
 - (c) 700 MHz band – 20 MHz of SDL spectrum in the frequencies 738-758 MHz.
- 3.3. Figure 1 provides an overview of the available spectrum.

FIGURE 1: ADDITIONAL SPECTRUM IN THE 600 MHz AND 700 MHz BANDS



3.4. CITC has developed a number of possible lot structure options along the following three dimensions:

- (a) **Include pre-auction exchange option.** CITC could provide an opportunity for existing operators to exchange their holdings in either the 700 MHz, 800 MHz or 900 MHz bands for the entire 2x35 MHz 600 MHz band. This option would enable the deployment of the most efficient IMT networks in the world by offering large contiguous channels. Equally, CITC may simply auction the available 600 MHz spectrum as is.
- (b) **Block size in the 600 MHz band.** CITC intends to offer the 600 MHz band in either a single large block or in smaller blocks.
- (c) **Bundle 700 MHz paired and SDL blocks.** CITC intends to offer the 700 MHz paired and SDL spectrum as either a single bundle or as two separate blocks.

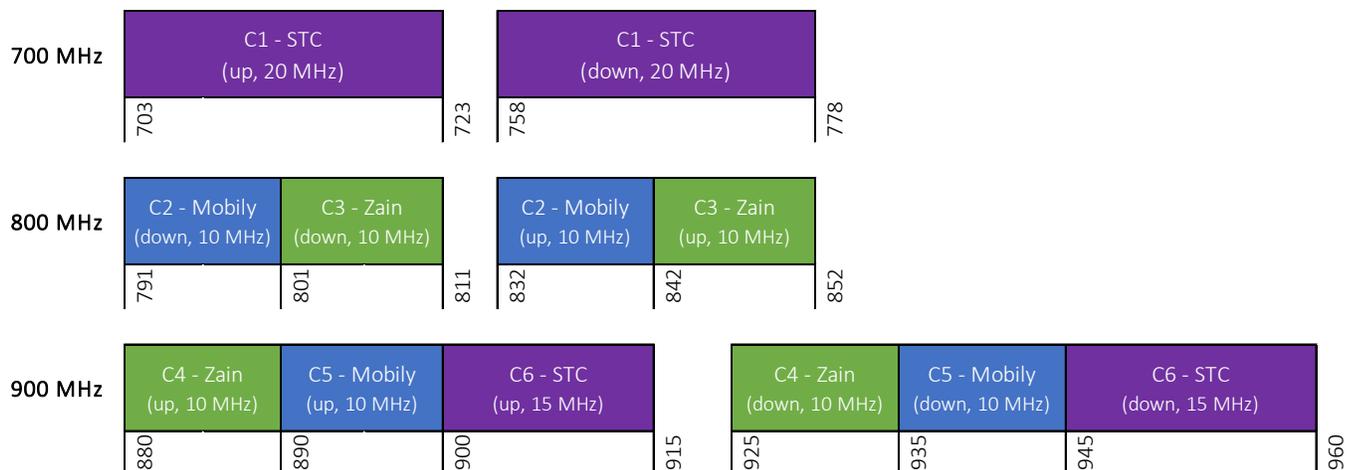
3.5. The following sub-sections set out these options in detail. CITC would like to receive feedback on these options from all stakeholders. CITC will take stakeholder input into consideration when making a final determination on the lot structure.

Sub-1 GHz pre-auction exchange option

3.6. The following amounts of spectrum in the 700, 800 and 900 MHz bands are already allocated to operators for mobile services (IMT) as illustrated in Figure 2:

- (a) STC: 2x20 MHz in the 700 MHz band and 2x15 MHz in the 900 MHz band.
- (b) Mobily: 2x10 MHz in the 800 MHz band and 2x10 MHz in the 900 MHz band.
- (c) Zain: 2x10 MHz in the 800 MHz band and 2x10 MHz in the 900 MHz band.

FIGURE 2: EXISTING HOLDINGS IN THE 700, 800 AND 900 MHz BANDS



3.7. If CITC includes an exchange option in the auction design, CITC would offer existing license holders in the sub-1 GHz bands an opportunity to apply to return one of their existing holdings in the 700 MHz, 800 MHz, or 900 MHz bands in exchange for a 2x35 MHz block in the 600 MHz band. Specifically, this means that

- (a) STC can offer to return 2x15 MHz in 900 MHz or 2x20 MHz in 700 MHz in exchange for 2x35 MHz in 600 MHz; and
 - (b) Mobily and Zain can each offer to return 2x10 MHz in either 800 MHz or 900 MHz in exchange for 2x35 MHz in 600 MHz.
- 3.8. If at least one existing license holder in the sub-1 GHz bands offers to exchange spectrum in this way, only bidders that included such an exchange offer in their Initial Block Nomination will be allowed to bid for the 2x35 MHz block in the 600 MHz band in the auction (labelled as Block A in Table 1 below). The winner of this block would need to return its existing Radio License for the spectrum it wishes to exchange by no later than 31 December 2025 (and earlier if so desired). The License Fee will need to be paid for every calendar year in which the Radio License is still in use.
- 3.9. The new Radio License for the returned spectrum will be allocated in a second auction stage. The new Radio License for the returned spectrum in either the 700 MHz, 800 MHz or 900 MHz band (as the case may be) will be subject to a License Fee determined in this second auction stage and would come into effect no later than 1 January 2026 (and possibly earlier if the license is returned earlier). If the license is returned earlier, the new radio license can be used immediately with the equivalent of the annual fee being applied.
- 3.10. If no existing license holder of spectrum in the sub-1 GHz bands offers to exchange its existing holdings in the Auction, Block A will be included in the Auction without the obligation to return spectrum.
- 3.11. Table 1 below summarizes the available blocks under these two scenarios. The available spectrum would be auctioned in up to two stages:
- (c) In **Auction Stage 1**, CITC would offer Blocks A and B.
 - (d) If at least one existing holder in the sub-GHz bands offered to exchange their spectrum (i.e. Scenario 1 in Table 1), CITC would conduct **Auction Stage 2**, in which it would offer Block C.

TABLE 1: SUB-1 GHz EXCHANGE OPTION - PROPOSED LOT STRUCTURE

Scenario	Block	MHz per Block	Frequency position (MHz)	Eligibility points per block	Bidding eligibility
1: At least one existing holder applies to exchange sub-GHz for 600 MHz	A	2x35 (70)	616 – 652 / 663 – 698	1	Only bidders that applied to exchange spectrum in their application form
	B	2x10 (20) & 20 SDL	723 – 733 / 778 – 788 & 738 – 758	1	All bidders
	C	2x20 MHz in 700 MHz OR 2x10 MHz in 800 MHz OR 2x10 MHz in 900 MHz OR 2x15 MHz in 900 MHz	C1 OR C2, C3 OR C4, C5 OR C6 as shown in Figure 2.	1	Only bidders that did not win Block A or Block B
2: No existing holder applies to exchange sub-GHz for 600 MHz	A	2x35 (70)	616 – 652 / 663 – 698	1	All bidders
	B	2x10 (20) & 20 SDL	723 – 733 / 778 – 788 & 738 – 758	1	All bidders

Block sizes in the 600 MHz band

3.12. If CITC does not offer existing holders an option to exchange their sub-1 GHz spectrum, or no applications are received for that option, CITC could offer the 600 MHz band in either a single block or in smaller blocks. CITC would like to hear stakeholders' views on the following two alternative options in this case:

- (a) A single 2x35 MHz block
- (b) A 2x20 MHz block and a 2x15 MHz block

Bundling 700 MHz spectrum

- 3.13. The paired 700 MHz spectrum could either be offered as a standalone block or in a bundle with the 700 MHz SDL block. CITC would like to hear which of these two options stakeholders would prefer.

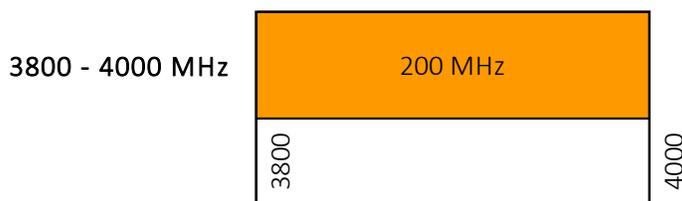
Sub-1 GHz spectrum cap

- 3.14. If the 600 MHz band is offered as a single 2x35 MHz block, CITC will set the spectrum cap in a way that will allow all three existing USL holders to bid for this block. For example, if the Sub-1 GHz exchange option is adopted in the final auction design, CITC would set the cap such that each USL holders could acquire at most one block, i.e. either Block A, Block B or Block C in Table 1. The SDL component of Block B would be excluded from this cap if it was offered separately.
- 3.15. If, however, the 600 MHz band is not offered as a single block, CITC is instead minded to set a spectrum cap across all sub-1 GHz holdings of any one entity of 110 MHz across all holdings in the 600 MHz, 700 MHz paired, 700 MHz SDL, 800 MHz, and 900 MHz bands.

3800 – 4000 MHz lot structure options

- 3.16. CITC will also release 200 MHz of additional spectrum in the 3800 – 4000 MHz band as shown in Figure 3.

FIGURE 3: ADDITIONAL SPECTRUM IN THE 3800 – 4000 MHz BAND



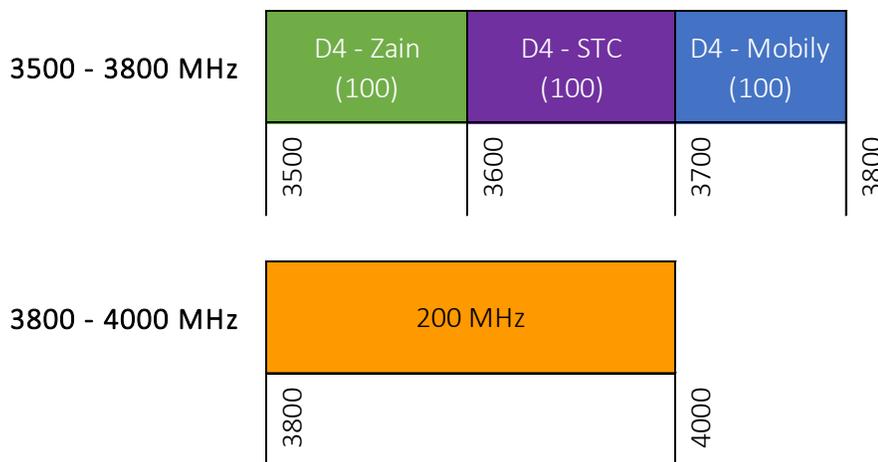
- 3.17. CITC has developed a number of possible lot structure options along the following two dimensions:
- (a) **Pre-Auction Exchange option in 3500 – 4000 MHz.** CITC could offer existing holders of 100 MHz blocks in the 3500 – 3800 MHz an opportunity to exchange their existing holdings for a contiguous block of 200 MHz in 3800 – 4000 MHz.
 - (b) **Block size.** If the exchange option is not included in the final auction design or the option is not taken up, CITC could offer spectrum in either larger 100 MHz blocks or smaller 50 MHz blocks.

3.18. The following sub-sections set out these options in detail. CITC would like to receive feedback on these options from all stakeholders. CITC will make a final determination on the lot structure based on the preferences expressed in the responses to this consultation from all relevant stakeholders.

Exchange option in 3500 – 4000 MHz

3.19. CITC could offer existing holders of 100 MHz blocks in the 3500 – 3800 MHz an opportunity to exchange their holdings for a contiguous block of 200 MHz in 3800 – 4000 MHz. This would maximize the opportunity for contiguous assignments in this range. The exchange would be subject to a License Fee determined in the Main Auction. CITC will allow the entity returning spectrum in the 3500 – 3800 MHz band to continue using their spectrum until 31 December 2022 at which point the current Radio License would need to be returned. Figure 4 summarizes the situation in the 3500 – 4000 MHz range and the blocks that may be included in the Main Auction as part of this exchange.

FIGURE 4: EXISTING HOLDINGS IN THE 3500 – 3800 MHz BAND AND ADDITIONAL SPECTRUM IN THE 3800 – 4000 MHz BAND



- 3.20. Which blocks would be included in the auction would depend on the Initial Block Nominations from qualified bidders:
- (a) If no existing holder applies to exchange its current 100 MHz block for the 200 MHz block in 3800 – 4000 MHz, CITC would include this spectrum in the auction as two frequency-specific 100 MHz blocks (D1, D2);
 - (b) Otherwise, CITC would include two spectrum blocks in the auction: Block D3 which will be the 200 MHz in 3800 – 4000 MHz (including a requirement to return existing holdings in 3400 – 3800 MHz) and Block D4 which will be a frequency-generic block in the 3400 – 3800 MHz range. The License Fee for both blocks will be determined through bidding in the auction. Only entities that included Block D3 in their Initial Block Nomination will be allowed to bid for this block. Spectrum Caps will prevent any bidder from bidding on both lot D3 and

D4 in the same round. The winner of Block D3 will return its 100 MHz block in the 3400 – 3800 MHz band after the auction and CITC will allocate it to the winner of Block D4.

- 3.21. If a bidder is successful in acquiring Block D3 in this award, its existing license in the 3400 – 3800 MHz band will be revoked effective 31 December 2022.
- 3.22. The table below summarizes the available blocks under these two scenarios.

TABLE 2: EXCHANGE OPTION IN 3500 – 4000 MHz – PROPOSED LOT STRUCTURE

Scenario	Block	MHz per Block	Frequency position (MHz)	Eligibility points per block	Bidding eligibility
1: No existing holder applies to exchange its 100 MHz block in 3500 – 3800 MHz	D1	100	3800 – 3900	1	All bidders
	D2	100	3900 – 4000	1	All bidders
2: One or more existing holders apply to exchange their 100 MHz block in 3500 – 3800 MHz	D3	200	3800 – 4000	1	Bidders that included Block D3 in their Initial Block Nomination
	D4	100	Position of returned block	1	All bidders except winner of D3

Block size in 3800 – 4000 MHz

- 3.23. If the exchange option is not included in the final auction design or the option is not taken up by any qualified bidder, CITC could offer spectrum in either larger 100 MHz blocks or smaller 50 MHz blocks. CITC is seeking feedback on these two options from stakeholders.

Spectrum cap in the 3500 – 4000 MHz range

- 3.24. Entities are limited to acquiring no more than 200 MHz (including existing holdings) across the 3500 – 4000 MHz range.

Sequencing of the auctions and individual stages

- 3.25. CITC proposes the following sequence of the individual Stages:
- (a) **Auction Stage 1.** CITC will offer the newly available spectrum in the 600 MHz and 700 MHz bands.
 - (b) **Auction Stage 2 (only relevant if there is an sub-1 GHz exchange option).** If at least one existing holder in the sub-GHz bands offered to exchange their spectrum (i.e. Scenario 1 in Table 1, CITC will conduct Stage 2, in which it will offer the returned spectrum in either the 700 MHz, 800 MHz or 900 MHz band.
 - (c) **Auction Stage 3.** CITC will offer blocks in the 3800 – 4000 MHz range (and possibly exchanged spectrum in the 3500 – 3800 MHz range) in this stage.
- 3.26. CITC will adopt a simultaneous multiple round ascending (SMRA) auction format for each of these stages.
- 3.27. Except for any returned blocks in the sub-1 GHz bands (C) and the 3500 – 3800 MHz band (Block D4) in the Main Auction, all blocks are offered on a frequency-specific basis. The position of any returned blocks is determined by the position of the existing holdings that are being returned.
- 3.28. Under this approach, each bidder has the opportunity to bid for exactly the spectrum blocks they wish to acquire. The approach also guarantees that any blocks that include a commitment to exchange spectrum (i.e. Blocks A and D3 as the case may be) are guaranteed to sell.
- 3.29. CITC would like to hear stakeholders' views on the sequencing of these stages.

License terms and conditions

- 3.30. Radio Licenses issued as a result of this auction will form part of the service provisioning license(s) held by a given operator. The Radio Licenses for newly awarded blocks will follow the standard format (see Annex 3) and the same general terms and conditions as applied for previously licensed spectrum.
- 3.31. An entity acquiring a Radio License in this auction will need to achieve the quality of service and coverage obligations set out in Table 3, Table 4, Table 5 and Table 6 using any of the assigned frequencies by the end of the year indicated in this table, with possibility of sharing

networks and frequencies in line with CITC’s regulations, and providing all relevant data that CITC may request in this regard.

TABLE 3: QUALITY OF SERVICE AND COVERAGE REQUIREMENTS FOR 3400 – 3800 MHz SPECTRUM

No.	Frequency band	Requirement	To be met by
1	3400 – 3800 MHz	Achieving a minimum average download speed of (400) Mbit/s for mobile broadband services across the Kingdom.	31 December 2023
2		Covering a minimum of 70% of the 4 km ² areas of each of the cities (18 cities) shown in Table 8 through 5G technology using a bandwidth of at least 190 MHz, by the end of 2025, and fully covering those cities with the aforementioned bandwidth by the end of 2027.	31 December 2025 & 31 December 2027
3		Achieving a minimum average download speed of (100) Mbit/s for mobile broadband services in every locality that exceeds five thousand inhabitants.	31 December 2025

TABLE 4: QUALITY OF SERVICE AND COVERAGE REQUIREMENTS FOR 700 MHZ PAIRED SPECTRUM

No.	Frequency band	Obligations	To be met by
4	700 MHz (paired)	Achieving a minimum download speed of (15) Mbit/s for mobile broadband services for 80% of the samples in an area of 4 km ² in every locality that exceeds five thousand inhabitants by the end of 2022. Achieving a minimum download speed of (20) Mbit/s for 80% of the samples by the end of 2025 in the same locations.	31/12/2022 & 31/12/2025
5		Covering any locality exceeds five thousand inhabitants, border crossings, airports and main roads by the end of 2023, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through the 4G technology or any newer technology. Providing coverage using 5G technology by the end of 2025.	31/12/2023 & 31/12/2025
6		Covering the arterial roads by the end of 2024, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through (4G) technology or any newer technology. Covering collector roads and railway by the end of 2024, so that voice services will be provided to more than (99%) of users' devices in the service provider's network, and provide coverage using (5G) technology for both arterial and collector roads by the end of 2030.	31/12/2024 & 31/12/2030
7		Covering all localities , that has more than 300 inhabitants, by the end of 2023, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and internet services are provided through (4G) technology or any newer technology and providing coverage using (5G) technology by the end of the year 2027	31/12/2023 & 31/12/2027
8		Covering 99% of the inhabitants in localities in the Kingdom by the end of 2025, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and internet services are provided through (4G) technology or any newer technology and providing coverage using (5G) technology by the end of 2030.	31/12/2025 & 31/12/2030

TABLE 5: QUALITY OF SERVICE AND COVERAGE REQUIREMENTS FOR 3800 – 4000 MHz SPECTRUM

No.	Frequency band	Obligations	To be met by
1	3800 – 4000 MHz	Achieving a minimum average download speed of (500) Mbit/s for mobile broadband services across the Kingdom by the end of 2025.	31/12/2025
2		Covering a minimum of 70% of the 4 km ² areas for each of the cities (18 cities) shown in Table 8 through 5G technology using a bandwidth of at least 190 MHz by the end of 2025 and fully covering those cities with the aforementioned bandwidth by the end of 2027.	31/12/2025 & 31/12/2027
3		Achieving a minimum average download speed of (100) Mbit/s for mobile broadband services in every locality that exceeds five thousand inhabitants by the end of 2025.	31/12/2025

TABLE 6: QUALITY OF SERVICE AND COVERAGE REQUIREMENTS FOR 600 MHz & 800 MHz

No.	Frequency band	Obligations	To be met by
4	600 MHz & 800 MHz	Achieving a minimum download speed of (15), Mbit/s for mobile broadband services for 80% of the samples in an area of 4 km ² in every locality that exceeds five thousand inhabitants by the end of 2022. Achieving a minimum download speed of (20) Mbit/s for 80% of the samples in an area of 4 km ² by the end of 2027 in the same localities.	31/12/2025
5		Covering any locality exceeds five thousand inhabitants, border crossings, airports and main roads by the end of 2025, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through the (4G) technology or beyond. Providing coverage using 5G technology by the end of 2027.	31/12/2025 & 31/12/2027
6		Covering the arterial roads by the end of 2024, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through (4G) technology or any newer technology. Covering collector roads and railway by the end of 2024, so that voice services will be provided to more than (99%) of users' devices in the service provider's network, and provide coverage using (5G) technology for both arterial and collector roads by the end of 2030.	31/12/2024 & 31/12/2030
7		Covering all localities, that has more than 300 inhabitants, by the end of 2024, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through (4G) technology or any newer technology and providing coverage using (5G) technology by the end of the year 2027.	31/12/2024 & 31/12/2027
8		Covering 99% of the inhabitants in localities in the Kingdom by the end of 2025, so that voice services are provided to more than (99%) of users' devices in the service provider's network, and Internet services are provided through (4G) technology or any newer technology and providing coverage using (5G) technology by the end of 2030.	31/12/2025 & 31/12/2030

TABLE 7: ACCEPTABLE SIGNAL STRENGTH

Acceptable signal strength (dBm)	Coverage			
	Within the boundaries of the urban area of the Localities	Highways between localities	USF areas	Other locations (border ports, airports, railways ...)
2G Rx-Level	=<-78	=<-93	=<-80	=<-78
3G RSCP	=<-85	=<-100	=<-80	=<-85
4G RSRP	=<-100	=<-115	=<-100	=<-100
5G SS-RSRP	=<-100	=<-115	=<-100	=<-100

TABLE 8: CITIES

#	City	#	City
1	Riyadh	10	Khamis Mushait
2	Jeddah	11	Jubail
3	Mecca	12	Hail
4	Medina	13	Abha
5	Dammam	14	Skaka
6	Al-Ahsa (Hofuf and Mubarratz)	15	Arar
7	Taif	16	Al-Baha
8	Tabuk	17	Najran
9	Buraydah	18	Jazan

- 3.32. In the event of having any new locality/location within an area that matches the descriptions of the geographical areas mentioned, such as: (Localities with more than 5000 inhabitants, main, arterial and collector roads, airports, border crossings, localities with more than 300 inhabitants, localities with more than 100 inhabitants). The same obligations described in the table above would be applied on the new locality/location.
- 3.33. All obligations described in the above tables are applied and verified in accordance with the regulatory document “Regulations for Coverage and Speeds of Mobile Telecommunication Services” published on CITC website.

Frequency coordination at international borders

- 3.34. The winning bidders shall comply with current and future bilateral or multilateral agreements with neighboring countries, and CITC will coordinate with them on future agreements and any update on current agreements.
- 3.35. The criteria for coordination at the borders may be subject to further revision prior to adoption, but the draft proposals are as follows:
- (a) For the 700 MHz band, the power threshold level for international coordination of a base station is a signal exceeding -105 dBm in a 10 MHz wide channel, measured using a 0 dBi gain antenna. The measurement location for determining compliance with this coordination condition is anywhere on the coastline of a neighboring state or 500 meters inside a land border.
 - (b) In the case where KSA does not have bilateral or multilateral agreements in place with neighboring countries concerning mobile use of the 700 MHz bands, CITC will address frequency coordination requests or cases of cross-border interference with neighboring countries in accordance with the ITU Radio Regulations and it may negotiate MoU(s) with neighboring countries in due course.
- 3.36. A Memorandum of Understanding (MoU) on international frequency coordination is currently being developed with neighboring countries. The MoU has not yet been finalized and has not entered into force at the time of publishing this Information Memorandum.
- 3.37. The KSA does not have bilateral or multilateral agreements in place with any of its neighboring countries concerning mobile use of the 600 MHz band, the 3500 – 3800 MHz band and the 3800 – 4000 MHz band. CITC is currently developing several agreements with neighboring countries for these bands.

The process for resolving cases of radio interference

- 3.38. Licensees may report cases of interference affecting their licensed radiocommunications services through an online application on the CITC website. Licensees are required to register a login account in order to activate this service.

- 3.39. The Radio Monitoring division of CITC will investigate cases of radio interference reported by licensees. If bona fide interference source(s) are identified, CITC will endeavor to resolve the interference in a timely manner, within the framework of the KSA's laws and the ITU Radio Regulations.

The 600 MHz and 700 MHz interference environment

- 3.40. The Blocks in the paired 700 MHz and 700 MHz SDL bands are free of existing licensed users within the KSA. However, prospective bidders in the auction should note that there currently remain some registered analogue TV broadcasting assignments within the wider Gulf region and these assignments coincide with these blocks. In accordance with international agreements and trends, it is anticipated that all use of this band by analogue TV shall cease within the near future, however CITC is not currently in a position to confirm the specific date for switching off of remaining analogue TV transmissions in this band in neighboring countries.
- 3.41. CITC conducted spectrum monitoring measurements to determine if analogue TV signals originating from outside the KSA are present and to assess their levels. These measurements have identified some low level 700 MHz analogue television signals in the Eastern Region of the KSA. The results of these measurements are presented in Annex 1. Prospective bidders are encouraged to conduct their own field measurements as part of due diligence before bidding on specific blocks in the auction.
- 3.42. Prospective bidders in the auction should note that there currently remain some registered analogue and digital TV broadcasting assignments both within the KSA and the wider Gulf region and these assignments may interfere with some or all of the 600 MHz Blocks (A1, A2). In accordance with international agreements and trends, it is anticipated that all use of this band by analogue TV shall cease within the near future, however CITC is not currently in a position to confirm the specific date for switching off of remaining analogue TV transmissions in this band in neighboring countries. It is unclear if and whether neighboring countries are going to switch off analogue/terrestrial TV in this band in the future. Clearance of digital TV in the 600 MHz band in the KSA is progressing rapidly, but CITC is not currently in a position to confirm the specific date for a complete switch-off.
- 3.43. CITC conducted spectrum monitoring measurements to determine if analogue TV signals originating from outside the KSA are present and to assess their levels. These measurements have identified some low level 600 MHz analogue television signals in the Eastern Region of the KSA. The results of these measurements are presented in Annex 2. Prospective bidders are encouraged to conduct their own field measurements as part of due diligence before bidding on specific blocks in the auction.

The 3500 – 4000 MHz interference environment

- 3.44. There are satellite deployments in the 3800 – 4000 MHz band. CITC will migrate current users subject to technical feasibility on the satellite and gateway radios by 31 December 2022., However, CITC may require holders of specific blocks to protect these deployments through

different protection measures (i.e exclusion zones, antenna tilt, output power threshold, shielding, etc..). CITC will add more protections details based on ongoing co-existence studies.

- 3.45. CITC will further require protection of a GEO satellite owned by the KSA. The satellite is used for Telemetry, Tracking and Command and its earth station will be located in Riyadh. CITC will develop protection criteria for this earth station once the details of its location and operation become clearer.
- 3.46. There is an ongoing global discussion about the potential for IMT in 3800 – 4000 MHz to interfere with radio altimeters. CITC proposes to monitor the deployment of 3800 – 4000 MHz spectrum near airports. License holders are required to get approval from CITC of any planned deployments in the vicinity (Proposed: 200m) of runways as well as the approach and landing routes (Proposed: 1km either side of a runway). Usage of the spectrum in these areas will be subject to specific protection parameters set by CITC, and that proposed vicinity distances are subject to change in the final IM based on ongoing co-existence studies.

License duration options

- 3.47. CITC is considering two license duration options on which it would like to receive feedback from stakeholders:
 - (a) License durations that would align new licenses with existing licenses in the same band.
 - (b) 15-year duration that would possibly be subject to re-farming once existing licenses in the same band expire.
- 3.48. Each of these license duration schemes will have implications for the Reserve Prices and payment options that CITC would offer. These are discussed in turn in the following sub-sections.
- 3.49. Prospective bidders in this auction should note that CITC may decide to reform or reassign this spectrum through a future competitive award process following the expiry of these licenses. The spectrum rights awarded in this auction do not come with an automatic right of renewal when they expire. CITC will decide on the appropriate assignment mechanism closer to the time of license expiry and may re-farm existing holdings to enable the introduction of new technologies or ensure the best use of spectrum.

Shorter duration

- 3.50. Under this option, the Radio Licenses for newly awarded spectrum in all bands will have different durations to align their expiry with existing Radio Licenses in the relevant band. This would enable CITC to re-farm all mobile bands for new technologies such as 6G. The commencement and expiry dates for Radio Licenses under this option are summarized in Table 9.

TABLE 9: SHORTER LICENSE DURATIONS

Band	Start date	End date
600 MHz	1 July 2022	31 August 2033
700 MHz (2x10 MHz paired and SDL)	1 July 2022	28 February 2033
Exchanged 700 MHz	1 January 2026 (or earlier if vacated before 31 December 2025)	28 February 2033
Exchanged 800 MHz		31 August 2033
Exchanged 900 MHz		29 June 2032
3800 – 4000 MHz	1 July 2022	31 December 2034
3500 – 3800 MHz if there is an exchange	1 January 2023	31 December 2034

(For the avoidance of doubt, in the event of a change to the auction timeline, CITC reserves the right to announce alternative commencement dates).

- 3.51. Spectrum allocated in this award is subject to a License Fee which is equal to the Allocation Price as determined through bidding in the auction. The minimum amount of the License Fee for each band is the Reserve Price as set out in Table 10. Note that in the case of the 600 MHz band and the 3800 – 4000 MHz band, we only include the Reserve Price for the largest possible blocks we envisage under the lot structures set out above. If this spectrum is offered in smaller blocks, the Reserve Price would be apportioned relative to the MHz included in each block.

TABLE 10: SHORTER DURATION - RESERVE PRICES (SAR)

Band	Total MHz	Reserve Price (Minimum Spectrum Utilization Fee) (SAR for entire license duration)
600 MHz	2x35 MHz	1,005,000,000
700 MHz	2x10 MHz paired	800,000,000
	20 MHz SDL	150,000,000
Exchanged 700 MHz	2x20 MHz	1,600,000,000
Exchanged 800 MHz	2x10 MHz	800,000,000
Exchanged 900 MHz	2x10 MHz	686,000,000
	2x15 MHz	1,029,000,000
3800 – 4000 MHz	200 MHz With an offer to exchange spectrum in 3500 – 3800 MHz	1,889,000,000
	100 MHz	1,275,000,000

- 3.52. Under this option, CITC will offer successful bidders three payment options for the License Fee as set out in Table 11. In the Grant Stage, successful bidders will be asked to choose their preferred payment option for each band in which they acquired spectrum.
- 3.53. If the selected payment option includes an Upfront Fee, the successful bidder will need to pay the Upfront Fee before it is granted the relevant Radio License.
- 3.54. The Annual Fee is payable to CITC in equal instalments, (rounded to the nearest SAR), payable each year on or before 1 January starting with the year indicated in the table below.

TABLE 11: SHORTER DURATION - PAYMENT OPTIONS

Band	Payment option	Upfront Fee (as % of License Fee)	Annual Spectrum Usage Fee (as % of License Fee, paid annually in equal instalments)	First annual payment	Number of annual payments
600 MHz	Option 1	0%	11.11%	1 January 2025	9
	Option 2	20%	7.24%		
700 MHz	Option 1	0%	10.0 %	1 January 2023	10
	Option 2	20%	6.94%		
Exchanged 700 MHz or 800 MHz	Option 1	0%	14.29%	1 January 2026	7
	Option 2	20%	9.27%		
Exchanged 900 MHz	Option 1	0%	16.67%	1 January 2026	6
	Option 2	20%	11.03%		
3800 – 4000 MHz	Option 1	0%	8.33%	1 January 2023	12
	Option 2	20%	5.68%		

15-year duration

3.55. Under this option, all Radio Licenses will have a 15-year duration, with the possibility of re-farming the licenses when other licenses in the band expire. The commencement and expiry dates for Radio Licenses under this option are summarized in Table 12.

TABLE 12: 15-YEAR LICENSE DURATION

Band	Start date	End date
600 MHz	1 July 2022	31 July 2036
700 MHz (2x10 MHz paired and SDL)	1 July 2022	31 July 2036
Exchanged 700 MHz	1 January 2026 (or earlier if vacated before 31 December 2025)	31 December 2040
Exchanged 800 MHz		31 December 2040
Exchanged 900 MHz		31 December 2040
3800 – 4000 MHz	1 July 2022	31 July 2037
3500 – 4000 MHz if there is an exchange	1 January 2023	31 December 2037

(For the avoidance of doubt, in the event of a change to the auction timeline, CITC reserves the right to announce alternative commencement dates).

- 3.56. Spectrum allocated in this award is subject to a License Fee which is equal to the Allocation Price as determined through bidding in the auction. The minimum amount of the License Fee for each band is the Reserve Price as set out in Table 13. Note that in the case of the 600 MHz band and the 3800 – 4000 MHz band, we only include the Reserve Price for the largest possible blocks we envisage under the lot structures set out above. If this spectrum is offered in smaller blocks, the Reserve Price would be apportioned relative to the MHz included in each block.

TABLE 13: 15-YEAR LICENSE DURATION - RESERVE PRICES (SAR)

Band	Total MHz	Reserve Price (Minimum Spectrum Utilization Fee) (SAR for entire license duration)
600 MHz	2x35 MHz	1,340,000,000
700 MHz	2x10 MHz paired	1,200,000,000
	20 MHz SDL	225,000,000
Exchanged 700 MHz	2x20 MHz	3,429,000,000
Exchanged 800 MHz	2x10 MHz	1,714,000,000
Exchanged 900 MHz	2x10 MHz	1,714,000,000
	2x15 MHz	2,572,000,000
3800 – 4000 MHz	200 MHz With an offer to exchange spectrum in 3500 – 3800 MHz	2,526,000,000
	100 MHz	1,594,000,000

- 3.57. Under this option, CITC will offer successful bidders three payment options for the License Fee as set out in Table 14. In the Grant Stage, successful bidders will be asked to choose their preferred payment option for each band in which they acquired spectrum.
- 3.58. If the selected payment option includes an Upfront Fee, the successful bidder will need to pay the Upfront Fee before it is granted the relevant Radio License.
- 3.59. The Annual Fee is payable to CITC in equal instalments, (rounded to the nearest SAR), payable each year on or before 1 January starting with the year indicated in the table below.

TABLE 14: 15-YEAR LICENSE DURATION - PAYMENT OPTIONS

Band	Payment option	Upfront Fee (as % of License Fee)	Annual Spectrum Usage Fee (as % of License Fee, paid annually in equal instalments)	First annual payment	Number of annual payment s
600 MHz	Option 1	0%	8.33%	1 January 2025	12
	Option 2	20%	5.11%		
700 MHz, 3800 – 4000 MHz	Option 1	0%	6.67%	1 January 2023	15
	Option 2	20%	4.25%		
Exchanged 700 MHz, Exchanged 800 MHz, Exchanged 900 MHz	Option 1	0%	6.67%	1 January 2026	15
	Option 2	20%	3.57%		

Auction participation fee

3.60. Participants in the auction will further be required to pay an Auction Participation Fee, as applicable, prior the Grant of their License. The auction participation fee covers CITC costs of organizing the auction as well as clearing the spectrum, including the 600 MHz band. The fee will depend on the spectrum acquired in the auction and is levied on a per MHz basis as set out in the following table.

TABLE 15: AUCTION PARTICIPATION FEE

Band	Auction Participation Fee per MHz acquired in the band (SAR)
600 MHz, 700 MHz paired	660,000 per MHz (a paired 2x1 MHz is counted as 2 MHz)
700 MHz SDL	25,000 per MHz
Exchanged 700 MHz, Exchanged 800 MHz, Exchanged 900 MHz	100,000 per MHz
3800 – 4000 MHz and exchanged spectrum in 3500 – 3800 MHz	20,000 per MHz

- 3.61. If the recipient of spectrum awarded in this auction later decides to relinquish a Radio License and return the spectrum rights to CITC prior to expiry, then the recipient shall not be entitled to a refund of any fees and, at the discretion of the CITC, may be excluded from bidding for the blocks being returned should they be re-awarded within the original license term. For the avoidance of doubt, any outstanding annual payments for the license fee would still be payable to CITC.

4. POSSIBLE NEW ENTRANT AUCTION

- 4.1. As CITC has set out in its Spectrum Outlook, it will review each spectrum release on a case-by-case basis to optimize the role of competition. The upcoming award combines prime IMT spectrum in both sub-1 GHz for coverage and above 1 GHz for capacity. CITC is open to considering the possibility of introducing a new entrant if, for example, existing players do not show sufficient demand covering the provided supply of spectrum or if a global IMT player expresses interest in entering the Saudi market. CITC believes that the provided spectrum supply in this award can potentially be used to enable a new entrant to roll out a network and offer competitive mobile services.
- 4.2. CITC is still studying the need for new entry into the mobile market. Entities that are interested in entering the mobile market in the KSA are invited to express their interest in response to this consultation. This would help CITC evaluate the likely strength and quality of a new entrant which would have implications for its decision on whether to enable new entry in this spectrum award as well as the qualification criteria it may impose. It should be noted that all conditions for providing telecom service will be applied. These conditions include, but are not limited to, annual royalty fees, fees associated with the use of numbering resources, localizations obligations and network technical requirements.
- 4.3. If CITC decides to set aside spectrum for a new entrant, it will do so in a single package including 2x10 MHz in the 700 MHz band and 100 MHz in either 3800 – 3900 MHz or 3900 – 4000 MHz.
- 4.4. CITC would offer this New Entrant Package in a separate New Entrant Auction which would only be open to suitably qualified entities. The auction would follow the SMRA auction format and adopt bidding rules that are similar to the ones discussed in Section 10.

Eligibility

- 4.5. The New Entrant Auction would be open to applications from any company that does not currently hold a Facilities-Based Unified Telecommunications Services License (USL)¹ in the KSA, but that can demonstrate in its application that it has global technical expertise, business case and funding to deploy a mobile network in the KSA. Such an entity would need to apply for a USL, and participation in the auction would be subject to this approval.
- 4.6. Applicants will be required to submit a detailed description of their company structure, technical expertise, business plan, roll-out plan and secured funding as well as supporting evidence.

¹ The regulations pertaining to Licenses is available at the following link:
<https://www.citc.gov.sa/en/services/licensing/Pages/default.aspx>

- 4.7. As part of the application document, each applicant for the New Entrant Auction will further be required to submit its Initial Block Nomination including a bid at the Reserve Price for the New Entrant Package.

Scheduling of the New Entrant Auction

- 4.8. CITC would split the award process into two separate auctions:
- The New Entrant Auction which would only be open to suitably qualified new entrant bidders;
 - The Main Auction which would be open to the successful new entrant bidder as well as current USL holders.
- 4.9. In the event the New Entrant Package is unsold, the spectrum that would have been included in the New Entrant Package will instead be included in the Main Auction.

Impact on the design of the Main Auction

- 4.10. **Sub-1 GHz exchange option.** It would still be possible to include the sub-1 GHz exchange option in the design of the Main Auction. However, if the New Entrant Package sells, this would mean that there is only a single 600 MHz block as well as a single 700 MHz SDL block available. CITC would like to hear stakeholders' views on the desirability of the sub-1 GHz exchange option in this case. Alternatively, CITC could simply offer the 600 MHz in two smaller blocks.
- 4.11. **Exchange option in 3500 – 4000 MHz.** If 100 MHz in the 3800 – 4000 MHz range is sold to a new entrant, it would no longer be possible to offer this exchange option in the Main Auction. In this case, CITC could offer the remaining 100 MHz in a single 100 MHz block or in two 50 MHz blocks.

5. RETURN AUCTION

- 5.1. CITC would like to hear stakeholders' views on a separate Return Auction in which any holder of spectrum in the 3400 – 3800 MHz band could return their holdings in exchange for a fee. If you are an existing license holder in this range, CITC would like to hear whether you would generally be interested in returning your spectrum and, if so, under what conditions. This section sets out CITC's initial proposal to enable such a return of spectrum through a separate Return Auction.

Eligibility

- 5.2. Only existing license holders in the 3400 – 3800 MHz band as well as the successful new entrant (if any) would be eligible to participate in the Return Auction as either a buyer or a seller.
- 5.3. Existing spectrum holders in the 3400 – 3800 MHz band can apply to return their Radio License in exchange for a Return Fee. To do so, existing holders would indicate a Minimum Return Fee for their holdings in their application.

Auction design

- 5.4. CITC will include any offers to return spectrum in the 3400 – 3800 MHz band as separate blocks in the Return Auction. The Reserve Price for each block would be the Minimum Return Fee indicated by the existing holder in its application. The final Return Fee would be established through bidding in the auction and would be equal to the final price of the block in the Return Auction. **The Return Fee will therefore ultimately be borne by the winner of the relevant block in the Return Auction.**
- 5.5. If the returned spectrum is acquired by another entity in the Return Auction, CITC will pay the original license holder its Return Fee in exchange for returning the license. By returning the license in this way, the original license holder will no longer be subject to any obligations associated with the returned license, including any future annual fees.
- 5.6. Any entity acquiring a returned license will take on any obligations associated with the license, including any future annual fees. The licence conditions would remain unchanged.
- 5.7. If the returned spectrum is not acquired by another entity in the Return Auction, the license will remain with the existing license holder. The license holder will continue to be bound by the obligations associated with the license, including any future annual fees.

Scheduling of the Return Auction

- 5.8. The Return Auction could be held as a separate auction either before or after the Main Auction. Alternatively, it could be combined with the Main Auction.
- 5.9. CITC's initial proposal is to hold the Return Auction before the Main Auction as this would enable CITC to conduct separate application processes and provide certainty to bidders over the amount of spectrum they hold in 3400 – 3800 MHz before entering the auction for spectrum in 3800 – 4000 MHz.
- 5.10. However, CITC also understands that it may be beneficial to combine the two auctions as this would allow bidders to switch between blocks in 3400 – 3800 and 3800 – 4000 MHz in response to changes in relative prices.

Spectrum cap in the 3400 – 4000 MHz range

- 5.11. The spectrum cap will need to be relaxed if there is a Return Auction. CITC proposes to limit entities to acquiring no more than 200 MHz (including existing holdings) if no other license holder offers to return spectrum in the Return Auction and 250 MHz (including existing holdings) otherwise.
- 5.12. An entity that offers to return spectrum in the Return Auction will not be allowed to bid for 3400 – 3800 MHz spectrum in the Return Auction or 3500 – 4000 MHz spectrum in the Main Auction.

Payment of fees

- 5.13. CITC will levy an Auction Participation Fee of SAR 40,000 per MHz on each block acquired in the Return Auction.
- 5.14. Within 90 days of the issue of the notification of auction results, each bidder who was awarded spectrum in the Return Auction must pay to CITC an amount equal to the sum of:
 - (a) The Auction Participation Fee for each block it was awarded; and
 - (b) The Allocation Price for each block it was awarded in the Return Auction.
- 5.15. CITC will inform the returning entity when the Allocation Price for the relevant block has been paid by the successful bidder. It will then issue a revocation notice to the returning entity that will void the original Radio License within 10 business days. CITC will then pay the Return Fee to the returning entity via a bank transfer to the bank account indicated in the returning entity's application document. Note that the bank account will have to be with a Saudi bank and will need to be registered to the legal entity that holds the original Radio License.
- 5.16. CITC will then issue a new Radio License to the winning bidder. The new Radio License will come with the same license conditions as the returned license

6. THE REGULATORY OUTLOOK FOR SPECTRUM IN SAUDI ARABIA

- 6.1. This section provides relevant information about the regulatory framework for spectrum awards and deployment of services using spectrum, including CITC’s Spectrum Outlook. It is not intended to be exhaustive. Prospective bidders are advised to familiarize themselves with the legislation, policies and codes of practice identified below.

The regulatory authority and guiding legislation

- 6.2. CITC is the authority in charge of regulating the communications and information technology industries in the KSA.
- 6.3. CITC work is generally governed and guided by provisions of the following legislative acts:
- (a) Telecom Act²;
 - (b) Telecommunications Act Bylaws³; and
 - (c) CITC Ordinance⁴.
- 6.4. This competitive award of Radio Licenses is carried out by CITC as indicated in its Spectrum Outlook for Commercial and Innovative Use 2021-2023.⁵

Policy and regulations for frequency bands identified for IMT

- 6.5. CITC published in September 2021 the “Allocation and Use Regulations for Spectrum Bands Identified for IMT”.⁶ This policy document sets out CITC’s approach to policy and regulations

² Issued under the Council of Ministers resolution No.(74), dated 05/03/1422H, and approved pursuant to the Royal Decree No.(M/12), dated 12/03/1422H.

³ Issued under the Minister of PTT resolution No. (11), dated 17/05/1423H.

⁴ Issued under the Council of Ministers resolution No. (74) dated 05/03/1422H, and further amended under the Council of Ministers resolution No. (133), dated 21/05/1424H.

⁵ Spectrum Outlook for Commercial and Innovative Use 2021 – 2023,
<https://www.citc.gov.sa/en/mediacenter/pressreleases/Pages/2021033001.aspx>

⁶ Allocation and Use Regulation for Spectrum Bands Identified for IMT, 2021,
<https://www.citc.gov.sa/en/RulesandSystems/RegulatoryDocuments/FrequencySpectrum/Documents/SM-Regulation%20and%20Allocation%20for%20Spectrum%20Bands%20Identified%20for%20IMT.pdf>

relevant to frequencies in these and other bands. Amongst other issues, it sets out CITC's position on license renewal, spectrum use fees and enforcement of license terms.

- 6.6. CITC is making continuous efforts to advance availability of mobile broadband (IMT) spectrum to licensed operators, within the constraints established by the legacy use of relevant bands by the incumbent users. The CITC's spectrum release plan is available within the "Spectrum Outlook for Commercial and Innovative Use 2021-2023" document.

7. OVERVIEW OF THE AWARD PROCESS

- 7.1. The award process consists of up to 6 stages:
- (a) Application Stage
 - (b) Qualification Stage
 - (c) Auction Stage 1. CITC will offer the newly available spectrum in the 600 MHz and 700 MHz bands.
 - (d) Auction Stage 2 (only relevant if there is a sub-1 GHz exchange option). If at least one existing holder in the sub-GHz bands offered to exchange their spectrum (i.e. Scenario 1 in Table 1, CITC will conduct Stage 2, in which it will offer the returned spectrum in either 700 MHz, 800 MHz or 900 MHz band).
 - (e) Auction Stage 3. CITC will offer blocks in the 3800 – 4000 MHz range (and possibly exchanged spectrum in the 3500 – 3800 MHz range) in this stage.
 - (f) Grant Stage
- 7.2. The rules and procedures for each stage are described in the following Sections 8, 9, 10 and 11. Auction Stages 1 to 3 would be conducted using the same bidding rules. In this section, we provide some general information common to the entire process.

Deposit requirements

- 7.3. As set out in Paragraph 1.1, each applicant must submit a deposit in the form of a bank guarantee for SAR 10,000,000 valid until 31 July 2022. The purpose of the deposit is to provide an appropriate incentive for bidders not to default on their bids and not to engage in inappropriate behaviour (as defined in Paragraphs 7.6 and 7.7). There is no link between the level of deposit submitted and which block(s) a bidder can bid for.
- 7.4. During the auction, CITC will monitor the level of bids made by each bidder relative to the level of their deposit. In the event of exceptional circumstances, CITC reserves the right to pause the award process, for example between bid rounds, and require bidders to increase their deposits. In the unlikely event that CITC invokes this clause, it will endeavor to give bidders reasonable notice of the amount and date of the increase.
- 7.5. If a bidder fails to increase their deposit as directed by CITC, that bidder will be excluded from further bidding in the award process. However, all bids made by the bidder up to that point will remain valid.

Bidder conduct before and during the auctions

- 7.6. CITC will communicate to each qualified bidder the list of all bidders qualified to participate in the auction. All qualified bidders are required not to engage in conduct that would be detrimental to CITC's ability to run an effective auction process.
- 7.7. In particular, it is the responsibility of the bidders themselves to ensure that:
- (a) they are not associated with any other qualified bidder;
 - (b) they do not share confidential information in relation to the auction, including but not limited to information regarding the bidder's valuations, bid strategy or bid decisions, with any other qualified bidder;
 - (c) no person with access to the bidder's confidential information has access to another qualified bidder's confidential information; and
 - (d) They do not engage in any action that could be deemed collusive or may otherwise be detrimental to CITC's ability to run an effective award process.
- 7.8. If CITC receives evidence that a qualified bidder has engaged in inappropriate behaviour, as described in Paragraph 7.7, CITC may at its sole discretion take one or more of the following steps:
- (a) exclude that bidder from further participation in this award;
 - (b) void any bids that the bidder has submitted prior to the point of exclusion; and/or
 - (c) Execute the bidder's bank guarantee and keep the proceeds.

CITC may also take additional legal and regulatory actions outside the award process, such as but not limited to excluding the bidder from participation in future spectrum awards.

Exceptional circumstances

- 7.9. In the case of exceptional circumstances during the award process, CITC has the discretion to:
- (a) cancel the award process;
 - (b) suspend the award process until further notice;
 - (c) pause the award process, for example between rounds, and require bidders to increase their deposit;
 - (d) if the auction is underway:
 - a. postpone the end of a round in progress or the release of results of a round;
 - b. postpone the scheduling of further rounds;

- c. cancel a round that is either underway or for which round results have not yet been released, and re-schedule the round;
 - d. void one or more rounds and the bids made therein, and resume the auction from an earlier round; and/or
 - e. void all bids received in the award process and either suspend the award process or start the award process again.
- 7.10. CITC determines whether a situation of exceptional circumstances has arisen. Exceptional circumstances could include, for example, widespread technical failure or concern about possible collusion amongst bidders.

Electronic auction system (EAS)

- 7.11. Bids in the auction should normally be submitted through the EAS. This online system can be accessed using a desktop or laptop computer using a standard operating system, a reliable Internet connection and a supported web browser. Each qualified bidder will also need individual secure credentials, which will be provided during the bidder seminar as described in Paragraph 9.6. Further information about accessing and using the EAS, including back-up procedures in case a bidder experiences problems accessing the EAS, will be provided in the EAS bidder manual, which will be distributed to eligible applicants.
- 7.12. If a bidder uses an operating system or web browser that is not supported by the EAS, the EAS may not function properly. It will be the responsibility of each bidder to verify during the mock auction that the EAS functions properly on its system.
- 7.13. In addition to submitting bids, qualified bidders will be able to use the EAS to download certain information about their bids and the state of the auction (such as Round Prices and Standing High Bids). Sample files will be distributed to qualified bidders.

8. APPLICATION STAGE

- 8.1. In the Application Stage, eligible applicants submit their application document and bank guarantee. As part of the application document, each applicant is also required to submit its initial block nomination as well as a signed declaration. CITC will review all application documents for errors, omissions, or ambiguities.

Application process

- 8.2. An eligible applicant is defined as a company that already holds a USL in the KSA. Applications from other parties will not be accepted.
- 8.3. An eligible applicant interested in acquiring spectrum in the auction must submit to CITC:
- (a) its application document (a copy of which is in Annex 3) signed by the applicant's authorized representative;
 - (b) a notarized power of attorney confirming that the authorized representative has the authority to bind the applicant for all purposes in the award; and
 - (c) a bank guarantee issued by a Saudi bank for the Guaranteed Amount of SAR 10,000,000 valid until 31 July 2022.
- 8.4. The submission must reach CITC by the Application Date, which, unless otherwise announced by CITC, is 10:00 am on 15 May 2022. A single completed application should be printed on single-sided A4 paper and placed inside a sealed envelope. The envelope should be:
- (a) Marked as follows:
 - (b) APPLICATION TO PARTICIPATE IN THE AUCTION OF 600 MHz, 700 MHz AND 3800-4000 MHz RADIO LICENSES
 - (c) Hand delivered to:
Communications and Information Technology Commission
Procurement Department, 6th Floor
Al Imam Saud Ibn Abdul Aziz Rd. and Prince Turki Ibn Abdul Aziz Al Awwal Rd. Intersection
P.O. Box 75606, Riyadh 11588
Tel. +966-11-461-8000
- 8.5. CITC will review each application document to determine if the applicant:
- (a) has provided the required information; and
 - (b) has made any mistakes or provided unclear information in completing the application document.

- 8.6. If CITC identifies any errors, omissions or ambiguities in the application document submitted by an eligible applicant, and CITC considers that these were not deliberate, CITC may, at its sole discretion, notify the applicant regarding the relevant issue(s), and provide it with an opportunity to correct its application. The time period granted to an applicant for correcting an application will not normally be more than 24 hours.

Initial Block Nomination

- 8.7. As part of the application document, each applicant is required to submit its Initial Block Nomination including the blocks it wishes to acquire at the Reserve Price in the Main Auction. The Initial Block Nomination is a binding commitment to acquire the included block(s) at the Reserve Price.
- 8.8. Applicants for the Main Auction will further be able to indicate whether they would be willing to exchange existing holdings in either the sub-1 GHz bands and/or the 3500 – 3800 MHz range. This is a binding commitment to return the spectrum if the applicant is offered the exchange spectrum in the auction.

Signed Declaration

- 8.9. As part of the application document, each applicant is required to submit a signed declaration stating that:
- 1) The signatories have read and understood the terms of the license to be granted under the Auction of 600 MHz, 700 MHz AND 3800-4000 MHz Radio Licenses Information Memorandum (the “Information Memorandum”) and the Telecom Act issued under the Council of Ministers resolution No. 74 dated 5/3/1422H (the “Act”);
 - 2) The signatories have read and understood the rules and procedures for the award as set out in the Information Memorandum;
 - 3) The applicant has the legal authority to participate in the award process and meets the conditions set out in Paragraph 8.2. Where necessary, the applicant should provide supporting evidence that demonstrate that it meets these conditions;
 - 4) The applicant is not associated with any other applicant or has any ownership or financial interest in another applicant in the award process;
 - 5) The applicant has and will ensure that it discloses confidential information only to the extent that is necessary and expressly permitted by the Information Memorandum to members within the applicant’s own bidding group; and
 - 6) The applicant warrants not to engage in any action that could be deemed collusion or is otherwise detrimental to CITC’s ability to run an effective award process.

- 8.10. With respect to part (4) of Paragraph 8.9, it is the understanding of the CITC that all companies holding a Facilities-based Unified Telecommunications License are acting independently and have no material ownership or other associations which could affect their independence with regards to the award process. If any party has any reason to believe that this is not the case, it must declare relevant information at the time of application if applicable or otherwise report their concerns immediately to CITC.
- 8.11. Any qualified bidder is obliged to refrain from taking any action that could result in it becoming associated with another qualified bidder until after the completion of the award process. Failure to comply with this warranty may result in the exclusion from the award process of all such parties and forfeiture of their bank guarantees. For the avoidance of doubt, CITC reserves the right to review spectrum holdings following any future mergers, acquisitions, or arrangements between spectrum holders if such developments raise competition concerns. Addressing such competition issues may require license holders to divest spectrum; the allocation and assignment outcomes of this award process shall not constrain CITC's legal powers in this regard.
- 8.12. With respect to parts (5) and (6) of Paragraph 8.9, it is the responsibility of each qualified bidder to ensure that their representatives do not breach these warranties at any time before or during the award process. Failure to comply with these warranties may lead to an applicant or qualified bidder being excluded from further participation in the award process and/or forfeiting their deposit (bank guarantee). CITC reserves the right to take further measures against any party that engages in behaviour that is detrimental to CITC's ability to run an effective award process.

9. QUALIFICATION STAGE

- 9.1. In the Qualification Stage, the CITC completes the review of applications and announces the identify of all qualified bidders. Qualified bidders will be invited to participate in a number of activities prior to the start of the Allocation Stage.

Qualification Process

- 9.2. CITC will review each application document (including amended application documents if applicable) and bank guarantee, together with any other documents that CITC may deem relevant to the process, to determine if the eligible applicant:
- (a) has provided all required information in the correct format;
 - (b) has submitted a bank guarantee not less than the Guaranteed Amount valid until 31 July 2022; and
 - (c) meets the criteria to participate in the award process.
- 9.3. If an eligible applicant fulfils all three criteria in Paragraph 9.2, it will be designated as a qualified bidder (hereafter also referred to as a “bidder”) and will be eligible to participate in the relevant auction.
- 9.4. If an eligible applicant fails to fulfil one or more of the criteria in Paragraph 9.2, its application will be rejected, and it will not be qualified to participate in the auction. CITC will inform rejected applicants of its decision in writing. Rejected applicants who do not become qualified bidders will have their bank guarantees returned.
- 9.5. Once the qualification process is complete, CITC will communicate the following to all qualified bidders in each auction:
- (a) The list of qualified bidders. This list will include the names of all bidders but no other information about their applications.
 - (b) The list of blocks available for bidding in the auction.

Activities for qualified bidders

- 9.6. Representatives of qualified bidders for each auction will be eligible to participate in the following activities:
- (a) **Q&A session.** Bidders may submit questions in writing by email (to an address that will be supplied to qualified bidders) seeking clarifications regarding the auction rules and award process. CITC is not obliged to respond to any question but will normally aim to respond in writing.

- (b) **Bidder seminar.** At least three representatives of each bidder are expected to attend the bidder seminar either in person or via video conference. At the bidder seminar, CITC and its advisors will make presentations and answer questions on the auction rules and award process. After the bidder seminar, secure credentials to access the EAS will be distributed to qualified bidders. The bidder seminar may be conducted in person, for example at CITC premises, and/or via video conference, at the discretion of the CITC.
- (c) **Mock auction.** Qualified bidders are expected to participate in the mock auction. During the mock auction, bidders will be able to log on to the EAS and participate in a number of mock bidding rounds. The purpose of the mock auction is to allow bidders time to familiarize themselves with the EAS and not to test bidding strategy.

10. AUCTION RULES FOR THE SMRA

Overview of SMRA auction format

- 10.1. The individual stages of the auction will be organized as separate simultaneous multiple round ascending (SMRA) auctions. The following is a generic description of the SMRA auction rules. CITC will customize these rules for the chosen auction design in the final Information Memorandum.
- 10.2. The SMRA auction proceeds in a number of rounds. In each round, the EAS will state a Round Price for each block and bidders select whether to bid for a particular block at its prevailing Round Price.
- 10.3. In Round 1, CITC will enter on behalf of each bidder a bid at the Reserve Price for each block available in the auction that was included in the bidder's initial nomination. The EAS will then determine the Standing High Bid for each block (if any). Bidders will then be able to submit bids from round 2 onwards.
- 10.4. At the end of each round, CITC will determine the Standing High Bid for each block. If exactly one new bid was submitted for a block, this bid becomes the Standing High Bid. If more than one new bid was submitted for a block, CITC will select one of them at random to become the Standing High Bid.
- 10.5. Bidding is subject to an activity rule which ensures that bidders cannot increase their demand (as measured by the total number of eligibility points associated with the blocks they are bidding for) over the course of the auction.
- 10.6. The stage continues until there is a round with no new bids for any block and no waivers placed.

Scheduling of rounds

- 10.7. Rounds are scheduled at CITC's discretion. All rounds will normally be scheduled to take place between 9.00am and 6.00pm on Saudi Arabian business days. The scheduling of rounds will take into account Muslim prayer times and may be further adjusted if the Allocation Stage extends into the holy month of Ramadan. An indicative schedule for each day's rounds will be published prior to the opening of the first round of that day. No round will start before the time specified in the indicative schedule, but the start time for a round may be delayed for any reason.
- 10.8. There is no minimum or maximum duration for a round. However, CITC does not anticipate running rounds shorter than 20 minutes or longer than two hours. The time between rounds is also discretionary.
- 10.9. There is no upper bound on the number of rounds per day, although CITC does not anticipate running more than 10 rounds in a single day.

- 10.10. Bidders will be notified of the start time for a round at least 15 minutes before the scheduled round start.

Bid submission

- 10.11. When a round is open, bidders should submit their bids using the EAS. Bidding will be conducted using a check box procedure. In each bidding round, CITC will specify a fixed prevailing round price for each block. Bidders check the relevant box associated with the block for which they would like to submit a new bid. Bidders have no discretion to select a higher or lower bid amount.
- 10.12. The EAS is designed to block submission of invalid bids; for example:
- (a) The check box will not allow a bidder to submit more than one new bid for a block;
 - (b) The EAS will not allow bidders to submit bids associated with a total activity that exceeds their eligibility (see Paragraphs 10.26 and 10.27);
 - (c) The EAS will not allow bidders to submit bids that in aggregate would exceed the spectrum caps;
 - (d) The EAS will not allow bidders to submit bids that violate the bidding eligibility restrictions set out in Table 1 and Table 2.
 - (e) The EAS will not allow bidders to submit new bids and place a waiver in the same round; and
 - (f) The EAS will not allow a bidder to submit a waiver if the sum of the eligibility points associated with the bidder's Standing High Bids is equal to the bidder's eligibility.
- 10.13. Each bid submitted in accordance with the auction rules is considered to be a valid bid. A valid bid represents a binding commitment to buy a block at the prevailing round price. Each offer for a block within a valid bid remains valid for the duration of the relevant stage/auction unless voided by CITC.
- 10.14. Bid submission is a two-step process:
- (a) The bidder enters its bid decision into the EAS, so its validity can be checked:
 - a. If the bid decision is compliant with the auction rules, the bidder proceeds to the second step below.
 - b. If the bid decision is not compliant with the auction rules, an error message with an explanation will be generated by the EAS and the bidder will be redirected to the bid form so that it can modify its bid decision.
 - (b) A summary of the bid decision will be presented, and the bidder will be asked to confirm submission. Only confirmed bids will be registered by the EAS. A warning will be provided if the bidder's bid decision will reduce his eligibility in the next round.

- 10.15. A bidder is deemed not to have submitted a bid until such time as confirmation of a valid bid is received at the server that hosts the EAS. Receipt of such confirmation will be communicated to the bidder through the EAS. It is the responsibility of the bidder to submit its bid before the end of a round and to check receipt of the bid confirmation by the EAS. Bidders are advised to alert CITC immediately if they experience problems with bid submission.
- 10.16. In the unlikely event that a bidder experiences a problem submitting a bid using the EAS, a back-up procedure for bid submission by telephone will be available. Further information about this back-up process will be provided in the EAS bidder manual.

Round Prices

- 10.17. In each round, the CITC will specify a Round Price for each block. This will be an amount in units of SAR 1,000.
- 10.18. In the first round, the Round Price for all blocks available in the auction will be set equal to their respective Reserve Price.
- 10.19. In subsequent rounds, the Round Price will be set as follows:
- (a) If there is no Standing High Bid, the Round Price will be unchanged.
 - (b) If there is a Standing High Bid, the Round Price will be set at an increment above the current Standing High Bid.
- 10.20. In each round and for each block, the amount by which the Round Price is increased is determined at the discretion of the CITC. There is no minimum or maximum increase in absolute or percentage terms, and the level of increase may vary across blocks in the same round.
- 10.21. In order to provide bidders with reasonable certainty over how Round Prices may change during an auction, CITC may provide guidelines on its preferred approach prior to the start of the auction. This guidance may include a range for the minimum and maximum Round Price increases that CITC is likely to apply, expressed either as a percentage of the Standing High Bid or an absolute amount, and a provisional cap in SAR on the largest Round Price increase that may be applied per round.

Bidding in round 1

- 10.22. In Round 1, CITC will enter on behalf of each bidder a bid at the Reserve Price for each block available in the auction which was included in the bidder's Initial Block Nomination. The EAS will then determine the Standing High Bid for each block (if any). Bidders will be able to submit bids from round 2 onwards.

Bidding in subsequent rounds

- 10.23. In round 2 and all subsequent rounds, a bidder may:
- (a) Submit a new bid for one or more blocks subject to the activity rules set out in Paragraphs 10.26 and 10.27, the spectrum caps and the bidding restrictions set out in Table 1 and Table 2; or
 - (b) Confirm that it does not want to submit any new bids or place a waiver; or
 - (c) Submit a waiver if the sum of the eligibility points associated with the bidder's Standing High Bids is strictly less than its eligibility.
- 10.24. The bidder that holds the Standing High Bid for a specific block can either maintain its Standing High Bid at the Round Price at which it was made or submit a new bid at the prevailing Round Price. A bidder with at least one Standing High Bid cannot withdraw from the auction.
- 10.25. In each bidding round, a bidder that (a) does not have a Standing High Bid; (b) does not place a new bid; and (c) does not use a waiver (either actively or passively), is deemed to have withdrawn from the auction, and is not allowed to bid in the auction in subsequent bidding rounds.

Activity rules

- 10.26. A bidder's activity is measured by the total number of eligibility points associated with the blocks the bidder either placed a new bid for or for which the bidder holds the current Standing High Bid. For the avoidance of doubt, if a bidder opts to raise its bid for a block for which it holds the Standing High Bid, the associated eligibility points only count once towards its activity in that round.
- 10.27. A bidder's activity in a round cannot exceed its eligibility. A bidder's eligibility in a round is determined as follows:
- (a) For round 1, a bidder's eligibility is determined by the spectrum caps;
 - (b) In a round following a round in which a bidder placed a waiver, the bidder's eligibility is unchanged.
 - (c) In all other rounds, the bidder's eligibility is equal to the bidder's activity in the previous round.

Waivers

- 10.28. Placing a waiver maintains the bidder's eligibility to place a bid in the subsequent bidding round. A waiver may be deployed in any round except the first round.

- 10.29. Each bidder is initially allocated a maximum of two waivers during the auction, which may be deployed actively or passively:
- (a) **Active:** A bidder may select to use a waiver (see Paragraph 10.23) instead of submitting any new bids if the sum of the eligibility points associated with its Standing High Bids is strictly less than its eligibility.
 - (b) **Passive:** The EAS automatically places a waiver on behalf of a bidder if all of the following conditions hold:
 - a. the bidder does not place a new bid;
 - b. the bidder does not confirm that it does not want to place any new bids in this round;
 - c. the bidder does not actively use a waiver;
 - d. the sum of the eligibility points associated with the bidder's Standing High Bids is strictly less than its eligibility; and
 - e. the bidder has at least one remaining waiver,
- 10.30. Additional waivers may be granted either to all bidders or to individual bidders at the sole discretion of CITC. CITC does not expect to grant additional waivers unless it has good reason to believe that one or more bidders faced technical or other problems that they could not have reasonably anticipated, and that granting additional waivers is in the general interest of conducting an efficient award process. Additional waivers can only be granted in the periods between rounds. They cannot be granted during a round.
- 10.31. A bidder may notify the CITC that it is unable to submit a bid during a round and is likely to require a waiver; notification is not mandatory but would assist administration of the process.

Determination of Standing High Bids

- 10.32. At the end of each round, CITC determines the Standing High Bid for each block (if any):
- (a) If there are no new bids for a block and there is no Standing High Bid from a previous round, the block does not have a Standing High Bid;
 - (b) If there are no new bids for a block, but there is a Standing High Bid for the block from a previous round, the Standing High Bid remains unchanged.
 - (c) If there is exactly one new bid for a block, that bid will become the Standing High Bid, displacing the previous Standing High Bid if applicable.
 - (d) If there is more than one new bid for a block, the Standing High Bid will be selected from amongst these bids using a random draw (determined within the EAS as part of the processing of round results).

Information policy

- 10.33. At the end of each round, each bidder will be provided with the following information via the EAS:
- (a) For each block:
 - a. the amount of the Standing High Bid (if any);
 - b. Whether or not the bidder holds the Standing High Bid; and
 - c. The next Round Price.
 - (b) The number of waivers placed by all bidders in this round.
 - (c) The start and end time for the next bidding round.
 - (d) Its own eligibility for the next round; and
 - (e) the number of waivers it has remaining.
- 10.34. No other information will be released about the bids submitted by other bidders until after the final bidding round. For the avoidance of doubt, no information will be provided about the level of demand for each block at the end of each round. However, as a consequence of the auction rules, bidders may infer that there was at least one new bid for a block in the prior round if the Round Price for the block is increased for the next bidding round.

Winning bidders

- 10.35. Bidding for all blocks closes simultaneously when there is a round in which there are no new bids for any block and no waivers placed. The Standing High Bids will be declared the winning bids and the License Fee for each block will be its respective Standing High Bid.
- 10.36. Once CITC has determined the winning bids and bidders, each bidder will be informed about its own outcome, including:
- (a) the block(s) it has won, if any; and
 - (b) the License Fee(s) that apply to the block(s) that it has won.
- 10.37. No information about the outcome of the auction for other bidders will be provided.

11. GRANT STAGE

- 11.1. In the Grant Stage, CITC will issue new Radio Licenses based on the outcome of the auction. No licenses will be issued to operators until they have submitted the necessary payments.

Announcement of auction outcomes

- 11.2. Following the conclusion of the final stage of the auction, the CITC will publish the results of all stages, including:
- (a) the identity of the winning bidders;
 - (b) the block(s) assigned to each qualified bidder; and
 - (c) a breakdown of the fees to be paid by each bidder, including:
 - a. the License Fee(s) for each block acquired by the bidder; and
 - b. the Auction Participation Fee for each block acquired by the bidder.
- 11.3. CITC will issue a formal notification to each bidder of the results of the award process.
- 11.4. CITC will maintain a history of all bids submitted in the auctions and reserves the right to publish this at any time in the future following the completion of the award process.

Payment of fees to CITC

- 11.5. Within 30 days of the issue of the notification in Paragraph 1.1, each bidder who was awarded at least one block must indicate to CITC which payment option it would like to use to pay the License Fee for each block it acquired. For the avoidance of doubt, bidders can specify different payment options for each block.
- 11.6. Within 90 days of the issue of the notification in Paragraph 1.1, each bidder who was awarded spectrum must pay to CITC an amount equal to the sum of:
- (a) The Auction Participation Fee for each block it was awarded; and
 - (b) The Upfront Fee for each block as determined by the payment option selected for that block by the bidder.
- 11.7. The bank guarantee(s) submitted during the application stage shall be released to the participants as follows:
- (a) to participants not winning any blocks: after the conclusion of the last auction;
 - (b) to participants winning at least one block: after the relevant operator has paid in full the amount specified in Paragraph 11.6.

- 11.8. CITC will issue a revocation notice to each entity exchanging its sub-1 GHz spectrum or 3400 -3800 MHz spectrum. The revocation notice will notify the entity that the relevant Radio Licenses will be revoked by the dates set out in Section 3.

Grant of licenses

- 11.9. Operators who have duly completed the auction process and complied with all terms and obligations described in this document, shall be issued new Radio Licenses for the relevant portions of the 600 MHz, paired 700 MHz, 700 MHz SDL, 3500 – 3800 MHz and 3800 – 4000 MHz bands.

12. TIMELINE

- 12.1. The timeline in Table 16 is indicative only of the expected timing of certain key milestones and events prior to, during and after the award process.
- 12.2. Please note that CITC may at any time change any of the times or dates and/or shorten or extend the time periods set out in this Information Memorandum upon giving at least twenty-four (24) hours' notice, save in emergency situations where such changes may be made without notice.

TABLE 16: INDICATIVE TIMELINE FOR KEY MILESTONES AND EVENTS

Milestones / Events	Date / Time
Publication of Information Memorandum	27 February 2022
Closing Date Comments on Information Memorandum	7 April 2022
Publication of Final Information Memorandum	25 April 2022
Application Deadline	19 May 2022
Announcement of Qualified Bidders	2 June 2022
Publication of Bidder Manual	2 June 2022
Ongoing Q&A session	5 June 2022 – 16 June 2022
Online Bidder Seminar	12 June 2022 – 16 June 2022
Bidder Mock Auctions	12 June 2022 – 16 June 2022
Auction Starts	19 June 2022
Announcement of Allocation Stage results	Within 24 hours of completion
Formal notification to each bidder of the results of the award process	Within 3 working days after the announcement of the results of the Allocation Stage
Payment of Auction Participation Fee	Within 90 days of the issue of the formal notification of the results of the award process

ANNEX 1: 700 MHZ BAND - INTERFERENCE ENVIRONMENT

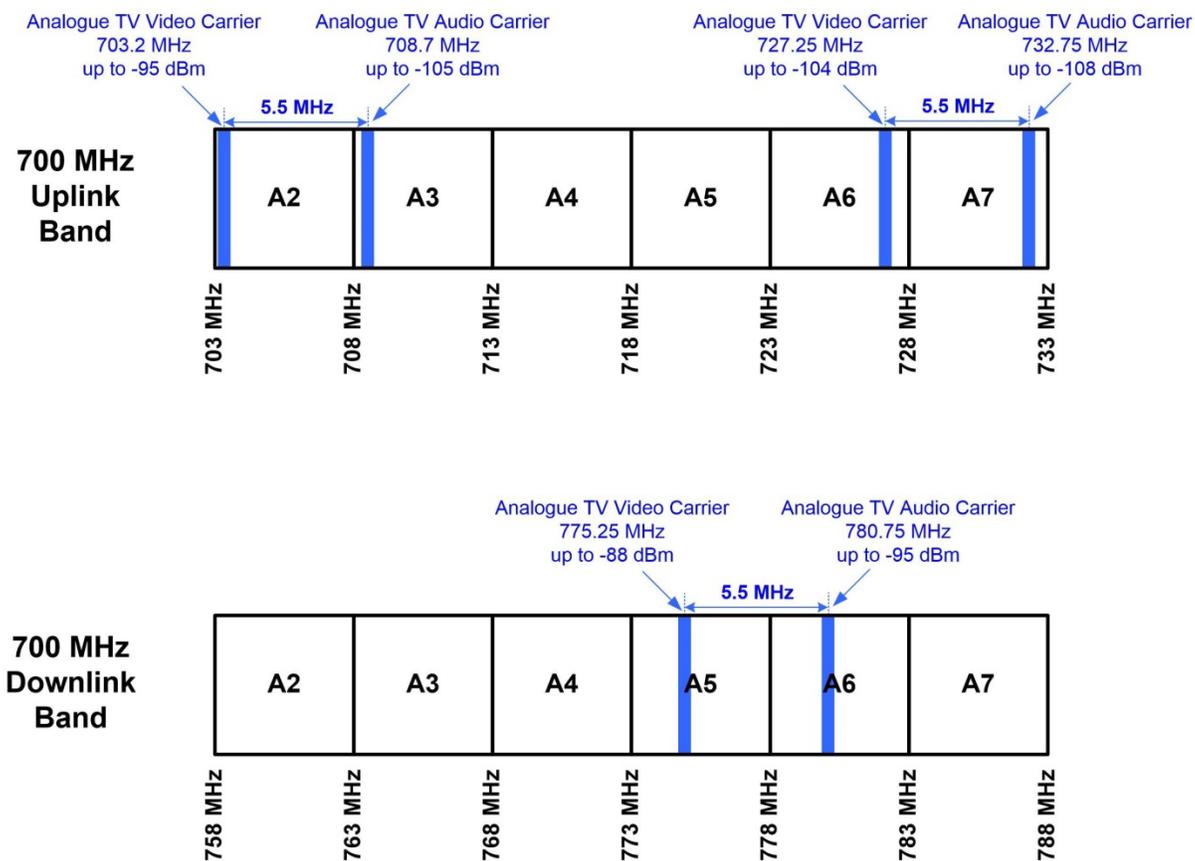
MEASURES

CITC conducted spectrum monitoring measurements to determine if signals originating from outside the KSA are present and to assess their levels. These measurements have identified some low level 700 MHz analogue television signals in the Eastern Region of the KSA.

The levels of these analogue television signals vary over time. Figure 5 represents the strongest power levels observed in Dammam during the measurement period.

Prospective bidders are encouraged to conduct their own field measurements as part of due diligence before bidding for 700 MHz blocks in the auction.

FIGURE 5: STRONGEST POWER LEVELS FROM FOREIGN ANALOGUE TV SIGNALS IN THE 700 MHZ BAND OBSERVED IN DAMMAM



ANNEX 2: 600 MHZ BAND - INTERFERENCE ENVIRONMENT MEASURES

CITC has conducted spectrum monitoring measurements to determine if signals originating from outside the KSA are present and to assess their levels. These measurements have identified some level of 600 MHz analogue television signals in border regions. The results of CITC’s field scanning exercise is summarized in the following three figures. A detailed list of interferences found is provided in Table 17, Table 18 and Table 19.

FIGURE 6: RESULTS OF FIELD SCANNING PHASE 1: 320 LOCATIONS IN THE KINGDOM

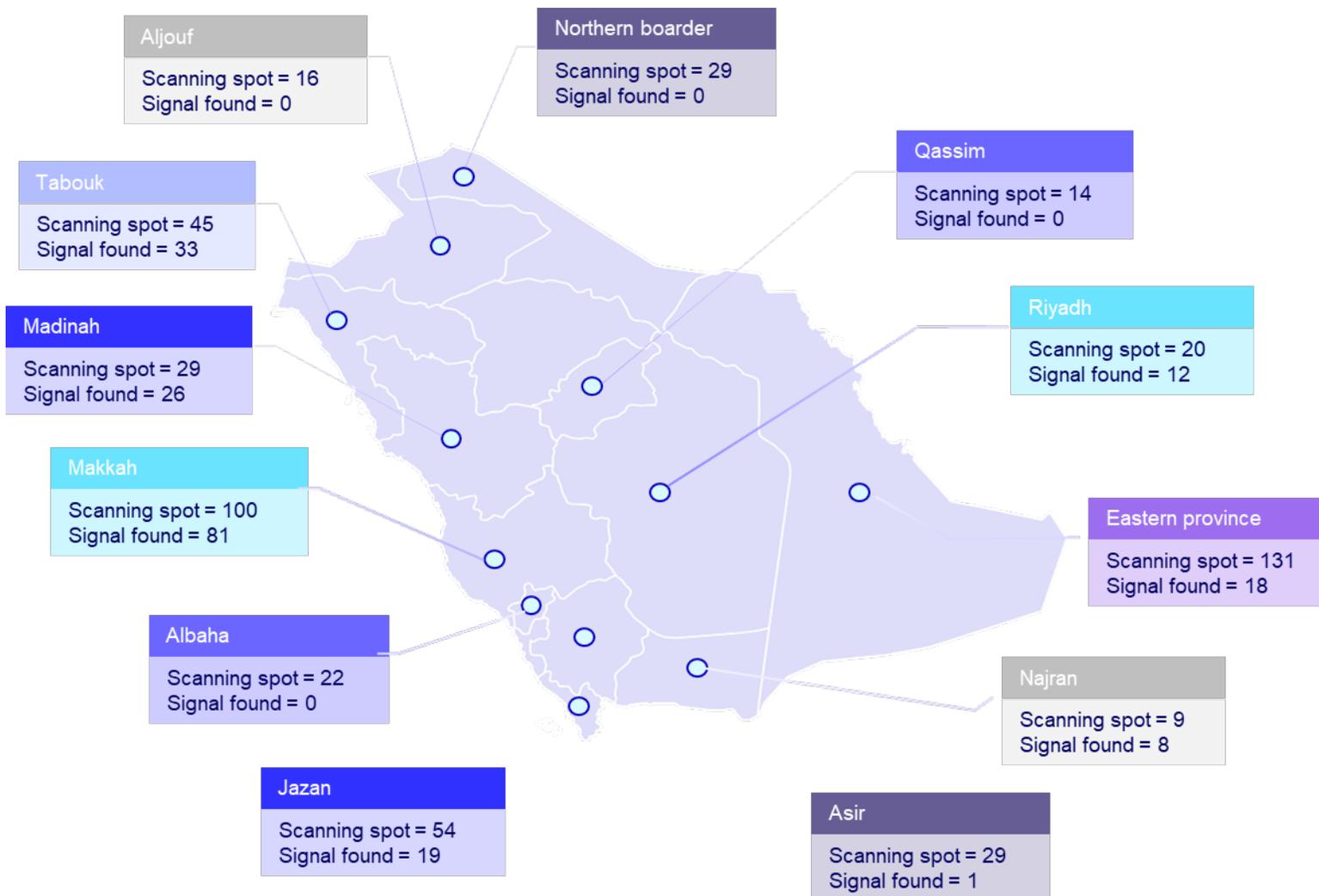


FIGURE 7: RESULTS OF FIELD SCANNING PHASE 2

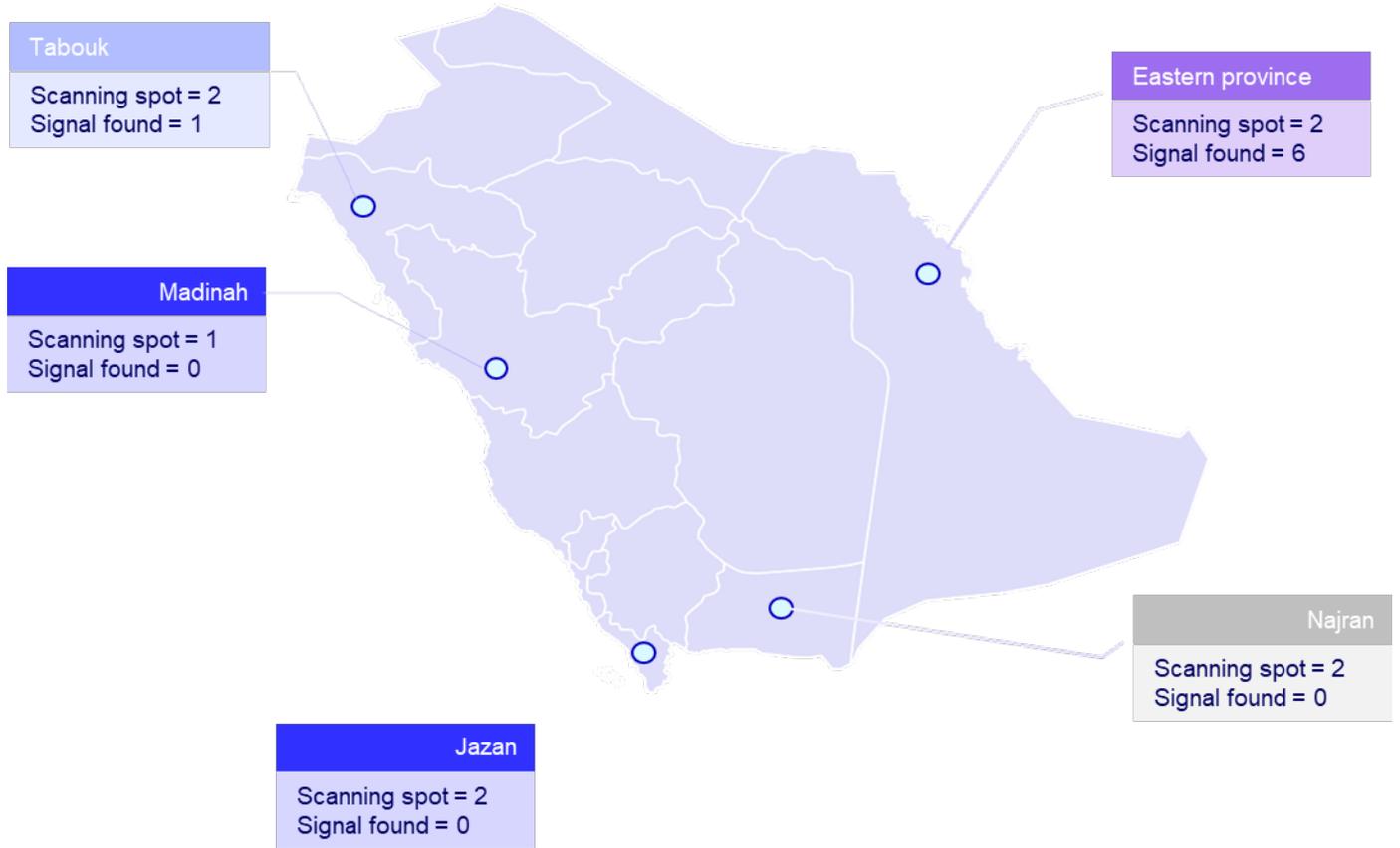


FIGURE 8: SUMMARY OF SIGNAL SOURCES

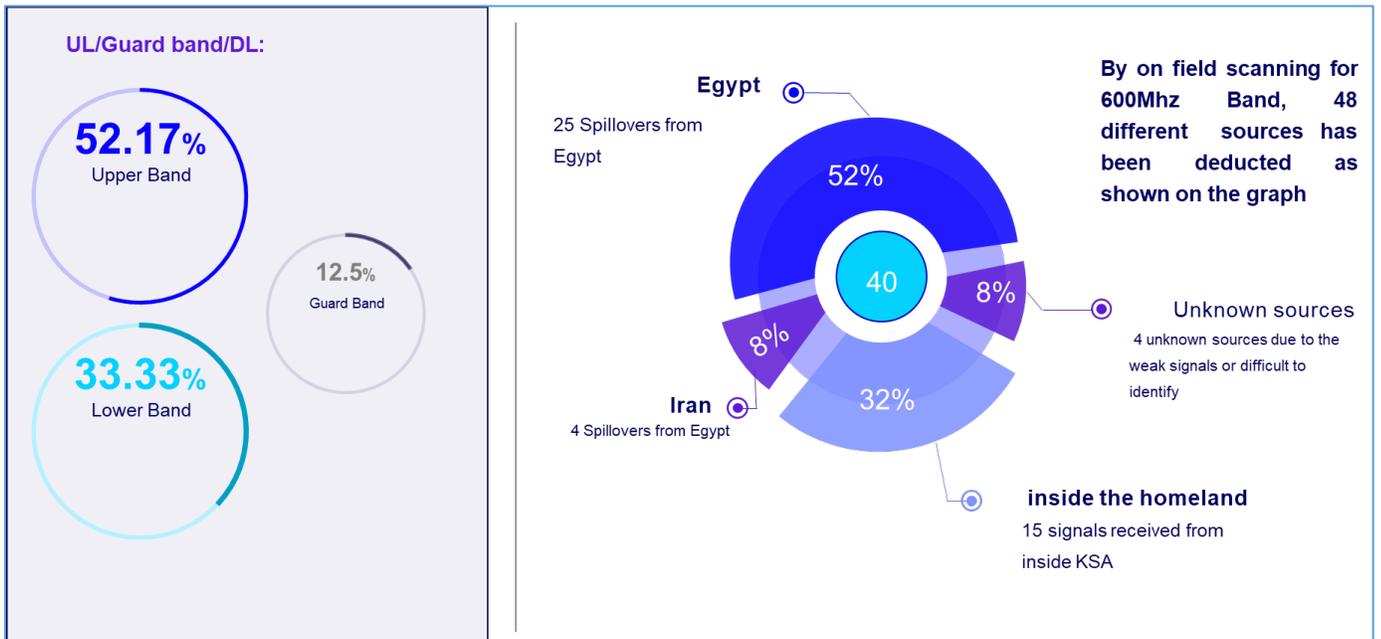


TABLE 17: DETAILED MEASUREMENT RESULTS (UPPER BAND 663 – 698 MHz)

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Inside the KSA but unknown source	Unknown	-25	7.8	673.5	Salwa
Signal from Egypt	DVB Emission	-84	8	666	Jeddah
Signal from Egypt	DVB Emission	-82	8	690	Jeddah
Signal from Egypt	DVB Emission	-86	8	682	Jeddah
Signal from Egypt	DVB Emission	-78	8	666	Qunfotha
Signal from Egypt	DVB Emission	-88	8	682	Qunfotha
Signal from Egypt	DVB Emission	-85	8	666	Laith
Signal from Egypt	DVB Emission	-88	8	666	Taif

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Saudi broadcasting authority	DVB Emission	-85	8	690	Najran
Saudi broadcasting authority	DVB Emission	-60	8	666	Jazan
Saudi broadcasting authority	DVB Emission	-90	8	690	Jazan
Signal from Egypt	TV Emission	-83	8	666	Yanbu
Signal from Egypt	TV Emission	-80	8	690	Yanbu
Saudi broadcasting authority	DVB Emission	-78	8	682	Yanbu
Signal from Egypt	TV Emission	-80	8	666	Amluj
Signal from Egypt	TV Emission	-80	8	690	Amluj
Signal from Egypt	DVB Emission	-80	8	666	Wajh
Signal from Egypt	DVB Emission	-83	8	690	Wajh

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Signal from Egypt	DVB Emission	-80	8	666	Rabigh
Saudi broadcasting authority	DVB Emission	-78	8	682	Rabigh
Signal from Egypt	DVB Emission	-80	8	666	Thuwal
Signal from Egypt	DVB Emission	-83	8	690	Thuwal
Saudi broadcasting authority	DVB Emission	-78	8	682	Thuwal
Signal from Iran	DVB Emission	-85	8	626	Khafji
Signal from Iran	DVB Emission	-76	8	642	Khafji
Week signal that could not be determined	DVB Emission	-102	8	650	Khafji
Signal from Egypt	DVB Emission	-63	8	642	Haql

TABLE 18: DETAILED MEASUREMENT RESULTS (LOWER BAND 617 – 652 MHz)

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Saudi broadcasting authority signal	DVB Emission	-55	8	634	Jubail
Saudi broadcasting authority signal	DVB Emission	-54	8	643	Jubail
Signal from Egypt	DVB Emission	-86	8	642	Tabuk
Signal from Egypt	DVB Emission	-92	8	626	Tabuk
Unknown source	Unknown	-98	8	644	Riyadh
Signal from Egypt	DVB Emission	-88	8	642	Qunfotha
Signal from Egypt	DVB Emission	-88	8	642	Laith
Signal from Egypt	DVB Emission	-87	8	642	Taif
Saudi broadcasting authority signal	DVB Emission	-75	8	626	Jazan

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Signal from Egypt	TV Emission	-88	8	626	Amluj
Signal from Egypt	DVB Emission	-88	8	626	Wajh
Signal from Egypt	DVB Emission	-98	8	642	Wajh
Unknown source	DVB Emission	-61	8	674	Khafji
Signal from Iran	DVB Emission	-80	8	682	Khafji
Signal from Iran	DVB Emission	-68	8	698	Khafji

TABLE 19: DETAILED MEASUREMENT RESULTS (GUARD BAND 652 – 663 MHz)

Signal source	Signal type	Signal level (dBm)	Bandwidth (MHz)	Frequency (MHz)	City
Unknown source	DVB Emission	-80	8	658	Hofuf
Saudi broadcasting authority signal	DVB Emission	-64	8	658	Dammam
Saudi broadcasting authority signal	DVB Emission	-82	8	658	Abha
Saudi broadcasting authority signal	DVB Emission	-50	8	658	Amluj
Saudi broadcasting authority signal	DVB Emission	-50	8	658	Wajh
Saudi broadcasting authority signal	DVB Emission	-85	8	658	Khobar

ANNEX 3: RADIO LICENSE

License Number: _____

DRAFT Radio License for Facilities-Based Unified Telecommunications Services Licensees

Issued to:

Company/Establishment: _____

Phone: _____ Fax: _____ Box: _____

Postcode: _____

The Communications and Information Technology Commission (CITC) acting in pursuance of Article 12 of the Telecom Act and Articles 17, 79-82 of Telecommunications Act Bylaws, hereby issues this Radio License to

----- (Licensee's name) -----

(Licensee's Commercial Registration Number) to use frequency spectrum, subject to provisions of Telecom Act and its Bylaws pertaining to use of radio frequency spectrum, CITC Statutes, the conditions of this License and its Annexes.

**The Governor
CITC**

Table of Contents

General Conditions	- 3 -
Article 1: Definitions	- 3 -
Article 2: Licensed and Assigned Frequency Spectrum	- 3 -
Article 3: Use of licensed frequency spectrum	- 3 -
Article 4: Technology Migration	- 4 -
Article 5: Term and Renewal	- 4 -
Article 6: License Territory	- 4 -
Article 7: Amendment of License	- 4 -
Article 8: Fees Payable by Licensee	- 4 -
Article 9: Interpretation	- 4 -
Special Conditions	- 5 -
Article 1: Definition and Use of the Licensed Frequency Spectrum	- 5 -
Article 2: Assigned Frequency Spectrum	- 5 -
Article 3: Term and Renewal	- 5 -

Radio License for Facilities-Based Unified Telecommunications Services Licensees (RL)

General Conditions

Article 1: Definitions

1. The terms and expressions defined in the Telecommunications Act, the Ordinance and the Bylaw shall have the same meanings when used in this Radio License.
2. “Licensed Frequency Spectrum” means the frequency spectrum assigned to the Licensee as listed in Annexes of this Radio License.

Article 2: Use of Licensed Frequency Spectrum

1. The Licensee may use Licensed Frequency Spectrum for the sole purposes specified for each Licensed Frequency Spectrum assignment as shown in Annex 1.
2. The Licensee’s use of the Licensed Frequency Spectrum shall be subject to any applicable provisions of the Telecommunications Act, the Bylaws, statutes and CITC decisions and must also be consistent with:
 - 2.1 The National Frequency Spectrum Plan and
 - 2.2 The Frequency Spectrum Management Policies and Procedures.
3. Any Licensed Frequency Spectrum assignment in Annexes of this Radio License may be amended, revoked, and any associated obligations may be amended at any time during the term of the relevant assignment or where the CITC believes such action will improve spectrum efficiency in the KSA or for other reasons including international spectrum coordination.
4. Revocation/amendment will only occur after the CITC has consulted with the Licensee and has provided the Licensee with justification for the required changes. The notice

period for such change shall be determined by the Commission taking note of the prevailing circumstances.

Article 3: Technology Migration and Spectrum Use Efficiency

1. The Licensee shall inform the Commission of the radio communications technology (radio standard) deployed in the licensed frequency spectrum and any intention to materially change that technology.
2. In case Licensee intends to change the radio communications technology, the Commission may require the Licensee to undertake actions to mitigate any adverse effects arising out of any such change, and any resulting costs shall be borne by the Licensee.
3. The Commission may require the Licensee to migrate the radio communication technology or the technical conditions of its usage (e.g., channel plan, type of emissions, etc.) for the reason of ensuring most efficient use of Licensed Frequency Spectrum assignment, and any resulting costs shall be borne by the Licensee unless alternative arrangements are explicitly specified by the Commission.

Article 4: License Term

This Radio License shall remain valid for as long as the Licensee holds a valid [Facilities Based Unified License]. Individual Licensed Frequency Spectrum assignments shall remain valid for the duration specified in relevant Annex.

Article 5: Geographic Coverage

The Licensee may use the Licensed Frequency Spectrum subject to geographic coverage rights and obligations as specified for each Licensed Frequency Spectrum assignment in relevant Annex.

Article 6: Amendment of License

This Radio License is subject to amendment in accordance with Commission statutes.

Article 7: Spectrum Use Fees Payable by Licensee

1. The Licensee shall pay to the Commission the fees for using Licensed Frequency Spectrum assignments as specified in relevant Annex of this Radio License. These spectrum usage fees may be amended from time to time.
2. The Commission shall determine and inform the Licensee of the method of issuance of invoices and payment with which the Licensee shall comply.
3. Payment shall be due immediately upon issuance of the invoice and shall be paid within one month of the invoice issuance date.

ANNEX 1 [to Radio License]

Licensed Frequency Spectrum

*[The following details shall be completed separately for each Licensed Frequency Spectrum assignment for the Licensed Unified service provider
Additional separate annexes will be used for additional/service specific assignments]*

CITC Frequency Spectrum Assignment Reference: [Number] _____

Assigned Channels	Radio Frequency Use Parameters	Geographic Coverage	Licensed Service	Obligations and Conditions	Expiry Date of Frequency Assignment	Annual Spectrum Use Fees

[The above information should be completed separately for each individual assignment]

ANNEX 4: APPLICATION DOCUMENT

An applicant must complete, in full, this form and submit it to CITC by 19 May 2022 for consideration. Any additional documentation required to be supplied by the applicant must be appended to this application document.

THE APPLICANT

Name of applicant: _____

Address of applicant: _____

INITIAL BLOCK NOMINATION

CITC will develop an Initial Block Nomination Form for the final auction design once it has received stakeholder feedback on the design options described in this draft Information Memorandum.

AUTHORIZED REPRESENTATIVE

Each bidder must provide contact information for an authorized representative that will be the main point of contact for CITC. All materials associated with the auction, including confidential information necessary to submit bids, will be sent to the authorized representative. The authorized representative has authority to bind the applicant for all purposes in the award.

AUTHORIZED REPRESENTATIVE

Name of authorized representative _____

Position of authorized representative _____

Telephone of authorized representative _____

E-mail of authorized representative _____

The applicant hereby acknowledges that all communication given by CITC shall be sent by e-mail to the e-mail address of the authorized representative provided above. All communication shall be deemed received by the applicant at the time of transmission. The authorized representative must remain contactable at all times.

ALTERNATIVE REPRESENTATIVES

In addition to the authorized representative, an applicant may, but is not required to, name up to three (3) alternate representatives.

ALTERNATIVE REPRESENTATIVE 1

Name of alternate representative 1 _____

Position of alternate representative 1 _____

Telephone of alternate representative 1 _____

E-mail of alternate representative 1 _____

ALTERNATIVE REPRESENTATIVE 2

Name of alternate representative 2 _____

Position of alternate representative 2 _____

Telephone of alternate representative 2 _____

E-mail of alternate representative 2 _____

ALTERNATIVE REPRESENTATIVE 3

Name of alternate representative 3 _____

Position of alternate representative 3 _____

Telephone of alternate representative 3 _____

E-mail of alternate representative 3 _____

The alternate representatives will be contacted, in order of their listing, in the case that the authorized representative, for whatever reason, is not immediately contactable. However, they will not be deemed to have the authority to bind the applicant for all purposes in the award.

APPLICANT DECLARATION

We, the undersigned, being the authorized representative(s) of _____ (the “applicant”) hereby declare that all information provided in, or in support of, the application is to the best of the knowledge and belief of the applicant true, accurate, and complete. We hereby warrant to the Communications and Information Technology Commission of Saudi Arabia (the “CITC”) that:

- 1) The undersigned have read and understood the terms of the license to be granted under the Auction of 600 MHz Radio Licenses, 700 MHz Radio Licenses, 3400 - 3800 MHz Radio Licenses, and 3800 - 4000 MHz Radio Licenses Information Memorandum (the “Information Memorandum”) and the Telecom Act issued under the Council of Ministers resolution No. 74 dated 5/3/1422H (the “Act”).
- 2) The undersigned have read and understood the rules and procedures for the award as set out in the Information Memorandum.
- 3) The applicant has the legal authority to participate in the award process and meets the conditions set out in Paragraph 8.2 of the Information Memorandum.
- 4) The applicant is not associated with any other applicant or has any ownership or financial interest in another applicant in the award process.
- 5) The applicant has and will ensure that the applicant discloses confidential information only to the extent it is necessary and expressly permitted by the Information Memorandum to members within the applicant’s own bidding group.
- 6) The applicant warrants not to engage in any action that could be deemed collusion or is otherwise detrimental to CITC’s ability to run an effective auction process.

Signature of authorized representative for and on behalf of the applicant:

Name of authorized representative:

Date:



هيئة الاتصالات وتقنية المعلومات
Communications & Information
Technology Commission

