



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

**PUBLIC INQUIRY ON THE MANDATORY STANDARD FOR THE
PROVISION OF SERVICES THROUGH A MOBILE VIRTUAL NETWORK**

13 JULY 2015

**This Public Inquiry Paper was prepared in fulfillment of Sections 58
and 61 of Communications and Multimedia Act 1998**

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PREFACE

Malaysian Communications and Multimedia Commission (“MCMC”) invites submissions from the industry, other interested parties and members of the public on the questions and issues raised on the proposed Mandatory Standard for the Provision of Services through a Mobile Virtual Network (“the Proposed Mandatory Standard”). MCMC welcomes submissions on specific matters on which comments are sought and also where no specific questions have been raised. Such submissions should be substantiated with reasons, where appropriate, evidence or source references. Written submissions, in **hard copy or electronic form (email)**, should be provided to MCMC in full by **12 noon, 1 September 2015. Incomplete and/or late submissions will not be considered.**

In the interest of fostering an informed and robust inquiry process, MCMC reserves the right to publish extracts or entire submissions received. Any commercially sensitive information should be provided under a separate cover clearly marked ‘**CONFIDENTIAL**’. However, for any party who wishes to make a confidential submission, it would be of assistance if a “public” version of the submission were also provided (if possible). Submission should be addressed to:

Chairman

Malaysian Communications and Multimedia Commission

MCMC Tower 1

Jalan Impact, Cyber 6

63000 Cyberjaya

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THE PUBLIC INQUIRY PROCESS

Following the Ministerial Direction to Determine a Mandatory Standard for the Provision of Services through a Mobile Virtual Network, Direction No. 3 of 2015 (“Direction No. 3 of 2015”), MCMC undertakes this Public Inquiry to satisfy the matters outlined in Direction No. 3 of 2015.

In this regard, this Public Inquiry seeks to obtain feedback on the proposed Mandatory Standard to compel the relevant Service Providers to undertake the required measures to deal reasonably with the consumers as provided for under Sections 188(1)(a) and 190 (1) of Communications and Multimedia Act 1998 (“CMA98”).

Taking into consideration of the existing regulatory tools, including the General Consumer Code of Practice for the Communications and Multimedia Industry Malaysia¹ (“General Consumer Code” or “GCC”) registered with MCMC, there is no voluntary industry code which deals with the issues and concerns to be elaborated in this Public Inquiry document. MCMC has also taken into account the provisions provided under Section 104 of CMA98 to determine a mandatory standard which deals specifically on the matters directed by the Minister in Direction No. 3 of 2015.

In developing the Mandatory Standard, MCMC hereby issues this Public Inquiry paper as provided for under Sections 58 and 61 of CMA98 and will publish a report based on the results and findings from the submissions, as provided under section 65 of the CMA98. The report will be published within thirty (30) days of the conclusion of the inquiry.

¹ <http://www.cfm.org.my/downloadcentre#code>

GLOSSARY

ASP	Applications Services Provider
CMA98	Communications and Multimedia Act 1998
HLR	Home Location Register
MCMC	Malaysian Communications and Multimedia Commission
MNP	Mobile Number Portability
MNO	Mobile Network Operator
MVN	Mobile Virtual Network
MVNO	Mobile Virtual Network Operator
NFP	Network Facilities Provider
NSP	Network Services Provider
SLA	Service Level Agreement
SP	Service Provider

BACKGROUND

THE MOBILE VIRTUAL NETWORK (“MVN”) SERVICE – PROTECTING THE CONSUMERS

Consumer Protection Measures

1. In the course of MCMC undertaking a study on the MVN business environment in 2013, MCMC was informed about the termination of service due to the commercial disputes between a mobile network operator (in this case, Maxis Broadband Sdn Bhd) and Salamfone Sdn Bhd (“Salamfone”), a mobile virtual network enabler (“MVNE”). In this particular case, Salamfone failed to comply with the terms and conditions of the agreement between the two (2) parties, which resulted in the disruption of service to about 45,000 Salamfone subscribers.
2. The “Salamfone Episode”, as highlighted in MCMC’s 2013 Industry Performance Report (“IPR”)², indicates the need for better consumer protection tools or measures. In this regard, MCMC intends to issue a Mandatory Standard that outlines obligations of the relevant parties in the provisioning of the MVN services.

² http://www.skmm.gov.my/skmmgovmy/media/General/pdf/IPR2013_Bahasa_Malaysia.pdf

CONSUMER PROTECTION IN THE MVN BUSINESS ENVIRONMENT – THE PROPOSED MANDATORY STANDARD

3. In general, MCMC seeks views and feedback on the proposed Mandatory Standard as provided in **Appendix 1**. The following paragraphs contain excerpts from the proposed Mandatory Standard, and MCMC also seeks feedback on the specific requirements of the proposed Mandatory Standard as outlined below.

Managing consumer expectation in the MVN service environment

4. Pursuant to the Salamfone Episode, MCMC has been in discussion with relevant parties on the development of a framework to ensure consumer protection in the MVN business environment in the case of service termination by the MVN service provider. Taking into consideration the existing instruments and tools available, MCMC is of the view that a Mandatory Standard is required to address the following issues:
 - i. Ensuring that the consumers' rights for service and refund are clearly provided for;
 - ii. Assisting MVN service providers in developing the necessary consumer protection framework/procedures; and
 - iii. Enabling MCMC to gather relevant information, to monitor the business performance of the MVN service providers and to undertake the necessary action(s) to address consumer concerns more effectively.
5. The proposed Mandatory Standard was developed around the business cycle in which the MVN service providers acquire subscribers, up to the

termination of the service between Host Operator and MVN service providers, which would lead to the services to the subscribers being terminated.

Setting the stage – applicable licensees

6. In view of the different business models that could be adopted by the relevant service providers who provide the MVN service, the proposed Mandatory Standard would be applicable to an NSP or ASP license holder who satisfies the definition of MVN service provider. As defined in the proposed Mandatory Standard, an “MVN service provider” means Mobile Virtual Network service provider who fulfills any of the following criteria:
 - i. Requires Radio Access from another service provider;
 - ii. Requires infrastructure to enable service to be provided to the subscriber from other service provider; or
 - iii. Subscribe to the wholesale service provided by other service provider.

Question 1:

MCMC seeks views on the definition of MVN service provider provided in the proposed Mandatory Standard.

7. In developing the relevant consumer protection framework within the MVN service, MCMC is guided by the following considerations :
 - i. The factors that a prospective subscriber would rely on in choosing and understanding the relevant packages of services to be provided by the prospective MVN service provider;

- ii. The information that the subscribers should have access to in relation to the termination of the MVN arrangement between the Host Operator and the MVN service provider, and the timelines within which matters such as refunds and porting of services would be undertaken; and
 - iii. The potential compliance issues by the service providers.
8. Based on the consideration above, MCMC intends to adopt the following framework in developing the Mandatory Standard, which is based on the practical timeline for such actions to be undertaken (for example, in getting the databases transferred and in engaging with new service providers), and the need to reasonably address the consumer concerns:

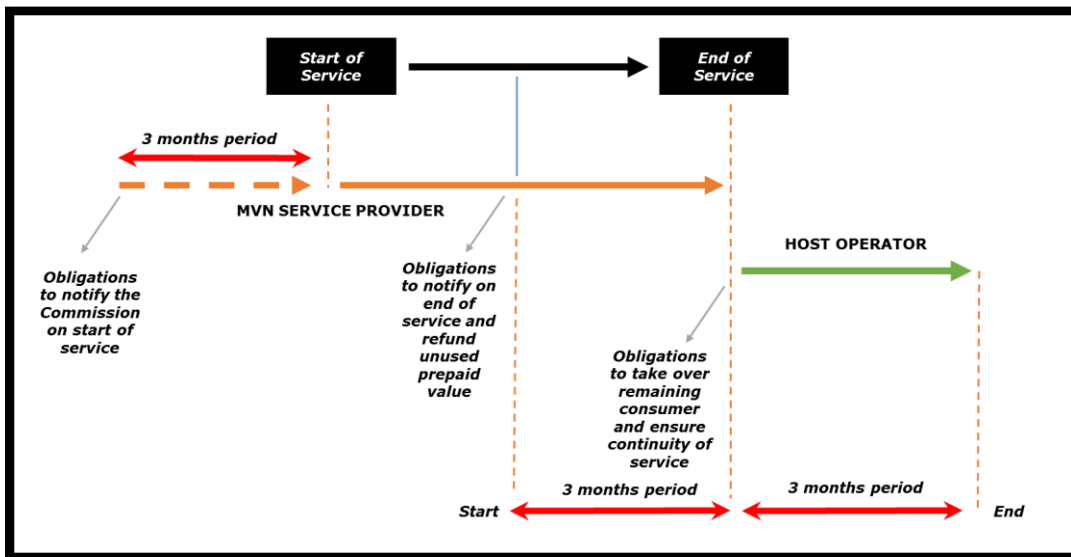


Figure 1: Framework on Managing Consumer Expectation for MVN service providers

9. Based on Figure 1: *Framework on Managing Consumer Expectation for MVN service providers* above, the proposed Mandatory Standard compels the applicable service providers to :
- i. Notify MCMC three (3) months before the start of service ;
 - ii. Notify MCMC three (3) months before the end of service;
 - iii. Ensure subscribers' prepaid and deposits are refunded accordingly; and
 - iv. Ensure continuity of service to the subscriber after the end of commercial arrangement between the Host Operator and MVN service provider.
10. In assisting the MVN service providers and the Host Operators to comply with the above requirements, compliance to the proposed Mandatory Standard will be based on the following stages:
- i. **Stage 1** : Commencement of service;
 - ii. **Stage 2** : Service termination;
 - iii. **Stage 3** : Refund to subscribers; and
 - iv. **Stage 4** : Continuity of service.

Question 2:

MCMC seeks feedback on, the framework and the stages above. How would the consumers be better protected in view of the various commercial risks associated with the provisioning of the MVN service? Are the considerations outlined above sufficient to address the expectations of the consumers? How would the four (4) stages indicated above assist the service providers in protecting the consumers?

STAGE 1: COMMENCEMENT OF SERVICE

11. In Stage 1, all MVN service providers (future and existing) are required to provide sufficient information regarding their business activity relevant to the MVN service to MCMC in the form of a notice (“Notice of Commencement of Service” or “Stage 1 Notice”). Stage 1 Notice is required in the following circumstances :

- i. Three (3) months prior to the commencement of service;
- ii. Three (3) months prior to the change of Host Operator;
- iii. Three (3) months upon the effective date of the Mandatory Standard (for current MVN service providers); or
- iv. Seven (7) days after material changes related to the Notice in Table 1.

12. The Stage 1 Notice shall include the following information but not limited to :

No	Information required	Details	Basis of requirements
1	Host Operator	i. Type of license(s) (NFP/NSP/ASP) (I or C)*; ii. Type(s) of business model; and iii. Type(s) of services acquired.	Provides information on the types of business to be conducted by MVN service providers (e.g. MVN (Operator/Enabler/Aggregator)).

No	Information required	Details	Basis of requirements
2	Contract	<ul style="list-style-type: none"> i. Duration of Contract; and ii. Expiry of Contract. 	Provides information on the contract duration and the anticipated notice of service termination (if applicable).
3	Terms of Contract	<ul style="list-style-type: none"> i. Amount of Performance Bond paid to Host Operator (if any); ii. Contract renewal terms and terms relating to termination of contract; iii. Targeted monthly subscribers; iv. Database origin (for ownership of subscribers database); and v. Number of agents/dealers. 	Provides information on the arrangements made by the MVN service providers such as reason(s) of service termination, transfer of company (if any), change of shareholders, assessment on HLR and database handover.
4	Establishment of a compensation fund	<ul style="list-style-type: none"> i. The amount of the fund as agreed upon between the Host 	To ensure that any payment made by subscribers is available for refund in the event of a failure on the part

No	Information required	Details	Basis of requirements
		Operator and MVN Service Provider; and ii. Host Operator shall give authorization to MCMC to utilize the fund to refund the subscribers.	of MVN service provider.

Table 1: Stage 1 Notice – Information Required

**For details on licensing criteria, please refer to MCMC’s License Application Procedure and Licensing Criteria, dated 17 January 2011 available on MCMC’s website.*

13. For the purpose of ensuring that any payment made by subscribers is available for refund in the event of MVN service failure, the Host Operator will be required to provide evidence of the establishment of a compensation fund (“Fund”). The evidence may be provided in the form of a copy of the establishment of the Fund and the monies deposited into the Fund, with the following conditions :
- i. The amount for the Fund is to be agreed upon between the Host Operator and the MVN service provider, based on the amount of airtime committed between the parties; and
 - ii. The Host Operator shall give express authorization to MCMC to utilize the fund to refund the subscribers, upon MCMC’s request.

Question 3:

What other relevant information can be provided in order to better assist MCMC in monitoring the MVN service providers and ensuring sufficient consumer protection? In relation to the timeline imposed, do you think that the timeline is sufficient to comply with the requirements outlined above? Is having a compensation fund an effective way to ensure the subscribers are fully refunded in the event of an MVN service provider termination?

STAGE 2: SERVICE TERMINATION

14. One of the challenges identified in providing relevant consumer protection measures is the fact that the service may be terminated at any time due to non-performance based on the MVN agreement. While this agreement is a commercially negotiated arrangement, MCMC is of the view that there should be sufficient information provided on the eventual expiry or termination of the MVN agreement. The availability of such information will provide sufficient time for the subscriber to decide on the necessary action that satisfies his or her requirements.
15. In this regard, the proposed Mandatory Standard obliges MVN service provider to issue a Notice on Service Termination ("Stage 2 Notice") pursuant the following circumstances, but is not limited to:
 - i. Duration and expiry of contract between Host Operator and MVN service provider;

- ii. Termination of contract between Host Operator and MVN service provider due to inability of either parties to fulfill conditions of the commercial agreement; and/or
- iii. Inability of MVN service provider to sustain their business.

16. The Stage 2 Notice shall contain the following information but not limited to:

NO	INFORMATION	REASON
1	Date of termination of service	Allows subscribers to initiate refund process and number porting (if required).
2	Refund period	Provides subscribers with the information for prepaid or deposit refund period information (duration of refund).
3	Service continuity options	Allows subscribers to choose their preferred service provider in the event of the service termination.
4	Contact information i. Office address; ii. Customer service hotline; iii. Operating hours for customer support; and iv. E-mail address of the customer service.	Allows subscribers to claim their unutilized prepaid value or request for more information on service continuity options.
5	Mobile Number Portability	i. Provides subscribers with the

	<p>("MNP") process.</p>	<p>relevant information on the portability process and requests; and</p> <p>ii. Ensures subscribers are automatically absorbed by the Host Operator (no consent required) if they choose not to port out, three (3) months after the announcement of service termination.</p>
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Table 2: Stage 2 Notice – Information Required

17. The MVN service provider shall provide Stage 2 Notice in the following forms :

- i. Formal letter to the Chairman of MCMC with a copy to the Host Operator; and
- ii. Public announcement in at least one (1) national language and one (1) English language national daily newspapers for at least three (3) consecutive days and shall be issued at least three (3) months prior to the last date of the actual service termination.

Question 4:

How do you think the above measures provide sufficient information to the subscribers in addressing their immediate requirements in the event of service termination? What are other measures that you think may be applicable or relevant to assist the subscribers? Is the timeline imposed sufficient?

STAGE 3: REFUND TO SUBSCRIBERS

18. Based on MCMC's assessment, all MVN service providers (except RedOne) provide their services on a pre-paid basis, which means that the subscribers will be significantly impacted in the event of a service termination by the MVN service provider, especially on the unutilized prepaid value.
19. The proposed Mandatory Standard therefore aims to provide an avenue for the affected subscribers to seek refund on amounts already paid, without having to go through complicated process. The proposed Mandatory Standard also requires the MVN service provider to provide the relevant information to enable the affected subscribers to decide on the service continuity options.
20. In this regard, the proposed Mandatory Standard requires the MVN service provider to initiate and to complete the refund exercise within a period of three (3) months after the service termination notice. During the refund process, the MVN service provider is required to:
 - i. Provide subscribers with the option to either port to another service provider, or to terminate the existing service;
 - ii. Refund unutilised prepaid balance or any kind of deposit (for subscribers who choose to terminate the service); and
 - iii. Transfer unutilised prepaid value and/or deposit to the new service provider (for subscribers who choose not to port).
21. Taking into consideration of the different practices of the different MVN service providers, the proposed Mandatory Standard outlines the minimum requirements for the refund procedures, as follows:

- i. Requirement of proof of identity (e.g. identification card or passport), to avoid subscribers from taking advantage of the situation and claiming refunds that do not belong to them;
 - ii. Terms and conditions for refund (e.g. Refund is applicable for prepaid value topped up within certain period before the issuance of end of service notice); and
 - iii. Timeline for refund (e.g. an hour or a day after the request for refund from subscribers).

22. After the issuance of Stage 2 Notice, the MVN service providers shall provide the following reports to MCMC :
 - i. Initial Report within three (3) months after the issuance of Stage 2 Notice; and
 - ii. Weekly Reports during the refund process.

23. The details of both reports above must include the following, but is not limited to:
 - i. Total number of subscribers;
 - ii. Details on the remaining prepaid value;
 - iii. Progress of refund;
 - iv. Total number of subscribers who choose to port; and
 - v. Total number of subscribers who choose to terminate their service.

24. During this Stage, MCMC shall assess the situation and certify on the applicability of the Fund to be executed should the MVN Service Provider fails to fully refund the affected subscribers.

Question 5:

Are the above requirements sufficient to ensure that the subscribers are sufficiently protected? Please elaborate.

STAGE 4: CONTINUITY OF SERVICE

25. One of the main concerns identified by MCMC during the Salamfone Episode is the requirement to protect the subscribers in the event of service termination. As such, the proposed Mandatory Standard stipulates that the Host Operator and the MVN Service Provider must ensure that the subscribers:
- i. Have access to a service (or a service similar to that of they are enjoying); and/or
 - ii. Obtain refund on their prepaid value (either monetary or airtime).
26. MCMC recognizes the imposition of such requirements may give rise to issues relating to identifying bona fide subscribers. Nonetheless, MCMC believes that this requirement is critical to ensure that both the MVN service provider and the Host Operator are equally responsible in managing subscribers in the event of termination of service. In this regard, the proposed Mandatory Standard requires that :
- i. In order to enable continuity of service after the prepaid refund process is completed, the MVN service provider that manages its own subscriber database (e.g. NSP (I) licensees) is required to transfer its remaining subscriber's database and the Home Location Register ("HLR") to its Host Operator within three (3) months from the service termination date;

- ii. The Host Operator to take over the remaining subscribers that have not ported to another network after their MVN service provider's service termination date. The MVN service provider is required to effect the payment to the Host Operator to ensure that the unutilised prepaid value is transferred to the subscribers' new account;
 - iii. The Host Operator to enable the utilisation of the remaining/transferred prepaid value of the absorbed subscribers in a non-monetary form (for example, airtime);
 - iv. The Host Operator to provide service continuity options to the subscribers who have not ported. The options include:
 - a. The subscribers may remain with the Host Operator; or
 - b. The subscribers may port to another service provider of its choice.
27. As subscription plans and packages differ from one (1) service provider to the other, subscribers who choose to remain with the Host Operator shall be provided with the relevant information regarding the Host Operator's plans prior to providing any services. This task shall be the responsibility of the Host Operator.

Reporting Requirements

28. Six (6) months after the service termination notice from the MVN Service Providers, the MVN service provider is required to submit a report to MCMC to include the following matters:
- i. Number of complaints received;
 - ii. Methods used in managing the complaints; and

iii. Percentage of unresolved complaints.

29. Based on the report submitted above, MCMC shall provide a written instruction on whether the Fund is to be used to refund the subscribers. The Host Operator may dissolve the Fund once MCMC has satisfied that the subscribers have been funded as required based on the report provided.

Question 6:

What are other measures currently provided by Host Operators and MVN service providers in ensuring that the subscribers can continue to enjoy the services that they expect? In terms of risk sharing, would the above requirements impact the commercial arrangements between the Host Operator and the MVN service providers, while providing confidence to the subscribers in the MVN services? Please refer to Appendix 2 on the Summary of the steps required.

PROPOSED WAY FORWARD

Implementation Timeline

30. In relation to the proposed Mandatory Standard, MCMC proposes that the Mandatory Standard to be effective three (3) months after the registration³ to address the immediate requirements of Stage 1 Notice, as well as for MCMC to fine-tune the internal processes and procedures for monitoring and compliance as outlined in Table 3:

³ As provided for under Section 55(8) of CMA98

Implementation Plan	Month						
	Jul '15	Aug '15	Sep '15	Oct '15	Jan '16	Feb '16	Mar '16
PI Process (13 th July 2015)*							
Commission Determination (15 th October 2015)*							
Operationalization of Mandatory Standard (MS comes into force) (15 th January 2016)*							
Submission of Stage 1 Notice (15 th March 2016)*							

Table 3: Implementation Plan

*Tentative dates

Question 7:

MCMC seeks feedback on the proposed implementation plan, which includes the effective date of the proposed Mandatory Standard.

QUESTIONS FOR CONSIDERATION

The following are the list of questions asked in the preceding pages for reference purposes:

Question 1: MCMC seeks views on the definition of MVN service provider provided in the proposed Mandatory Standard.

Question 2: MCMC seeks feedback on, the framework and the stages above. How would the consumers be better protected in view of the various commercial risks associated with the provisioning of the MVN service? Are the considerations outlined above sufficient to address the expectations of the consumers? How would the four (4) stages indicated above assist the service providers in protecting the consumers?

Question 3: What other relevant information can be provided in order to better assist MCMC in monitoring the MVN service providers and ensuring sufficient consumer protection? In relation to the timeline imposed, do you think that the timeline is sufficient to comply with the requirements outlined above? Is having a compensation fund an effective way to ensure the subscribers are fully refunded in the event of an MVN service provider termination?

Question 4: How do you think the above measures provide sufficient information to the subscribers in addressing their immediate requirements in the event of service termination? What are other measures that you think may be applicable or relevant to assist the subscribers? Is the timeline imposed sufficient?

Question 5: Are the above requirements sufficient to ensure that the subscribers are sufficiently protected? Please elaborate.

Question 6: What are other measures currently provided by Host Operators and MVN service providers in ensuring that the subscribers can continue to enjoy the services that they expect? In terms of risk sharing, would the above requirements impact the commercial arrangements between the Host Operator and the MVN service providers, while providing confidence to the subscribers in the MVN services? Please refer to Appendix 2 on the Summary of the steps required.

Question 7: MCMC seeks feedback on the proposed implementation plan, which includes the effective date of the proposed Mandatory Standard.

APPENDIX 1

Suruhanjaya Komunikasi dan Multimedia Malaysia

Malaysian Communications and Multimedia Commission

COMMUNICATIONS AND MULTIMEDIA ACT 1998

COMMISSION DETERMINATION ON THE MANDATORY STANDARD FOR THE PROVISION OF SERVICES THROUGH A MOBILE VIRTUAL NETWORK

DETERMINATION No. X of 2015

Pursuant to the Ministerial Direction to determine a Mandatory Standard For the Provision of Services through a Mobile Virtual Network, Direction No. X of 2015, and in exercise of the powers conferred by sections 55, 104 and 188(1)(a) of the Communications and Multimedia Act 1998 [Act 588], the Commission hereby determines as follows:

Citation and commencement

1. This Determination may be cited as the Commission Determination on the Mandatory Standards for the Provision of Services through a Mobile Virtual Network, Determination No. X of 2015.
2. This Determination shall come into operation on XX XXX 2015.

Interpretation

3. For the purpose of this Determination, unless the context otherwise requires:

“HLR” means Home Location Register.

“Host Operator” means a licensee who fulfills any of the following criteria:

- i. Provides Radio Access network to another service provider;
- ii. Provides infrastructure to enable another service provider to act as a MVN service provider; or
- iii. Provides wholesale service to another service provider.

“MNP” means Mobile Number Portability.

“MVN” means Mobile Virtual Network where a licensee is capable of providing public cellular services to end users by accessing radio networks of one or more spectrum holders.

“MVN service provider” means Mobile Virtual Network service provider who fulfills any of the following criteria:

- i. Requires Radio Access from another service provider;
- ii. Requires infrastructure to enable service to be provided to the subscriber from other service provider; or
- iii. Subscribe to the wholesale service provided by other service provider.

“Official Rollout” means an occasion where a new product or service is first offered for sale or use, which shall include the availability of the products or services offered to the public, whether in a physical form or otherwise.

“Prepaid Public Cellular Service” means a Public Cellular Service where:

- i. the service provider provides the service to an end-user;
- ii. the end-user pays for the service before it is used; or
- iii. the end-user is issued with a number for use in connection with the service.

“Public announcement” means an advertisement or written/verbal statement that is delivered through, but is not limited to television, radio, daily newspapers as well as electronic communications such as email, SMS and websites.

“Proof of Identity” means a document(s) issued by the local government or foreign government to verify a subscriber’s identity.

“Refund” means any sum (not limited to monetary form) reimbursed without any additional cost.

“Relevant Key Management Personnel” – refers to all Directors (executive and non-executive); Chairman of the Board; Chief Executive Officer (CEO); Chief Operating Officer (COO); and Chief Financial Officer (CFO) or key Manager in charge of financial matters as stipulated in the Requirement for Key Management of Licensees to be Fit and Proper issued by the Commission.

“SLA” means a Service Level Agreement.

4. Any term used in this Determination shall, unless the context otherwise requires, have the same meaning as in the Act or the regulations made under it.
5. Unless the context otherwise requires, words in the singular include the plural and vice versa.

Licensees subject to this Mandatory Standard

6. All MVN Service Providers who are in possession of NSP (I) license and/or ASP (C) license holder who satisfies the definition of MVN service provider are subjected to this Mandatory Standard.

Standard on the obligations by the Mobile Virtual Network Service Provider

7. Licensees subject to this Mandatory Standard shall ensure that other service or facilities provider who can affect the compliance to this standards are bound by the SLA.
8. The following are the standard obligations to be fulfilled:

8.1. Stage 1 : Commencement of Service

- 8.1.1. An MVN service provider shall submit a Notice (“Notice of Commencement of Service” or “Stage 1 Notice”) to the Commission in the following circumstances :

- i. Three (3) months prior to the commencement of service;
- ii. Three (3) months prior to the change of Host Operator;
- iii. Three (3) months upon the effective date of this Mandatory Standard; or
- iv. Seven (7) working days after material changes related to the Notice of Commencement of Service in Table 1.

8.1.2. The Notice shall include the following information as listed in Table 1, but not limited to:

No	Information	Details of Information
1	Host Operator	<ul style="list-style-type: none"> i. Type of license(s) (NFP/NSP/ASP) (I or C); ii. Type(s) of business segment; and iii. Type(s) of services acquired.
2	Contract	<ul style="list-style-type: none"> i. Duration of Contract; and ii. Expiry of Contract.
3	Terms of Contract	<ul style="list-style-type: none"> i. Amount of Performance Bond paid to Host Operator (if any); ii. Contract renewal terms and terms relating to termination of contract; iii. Targeted monthly subscribers; iv. Database origin (for ownership of subscriber database); and v. Number of agents/dealers.
4	Establishment of a compensation fund	<ul style="list-style-type: none"> i. The amount of the fund as agreed upon between the Host Operator and MVN Service Provider; and

No	Information	Details of Information
		ii. Host Operator shall give authorization to the Commission to utilize the fund to refund the subscribers.

Table 1: Stage 1 Notice – Information Required

- 8.1.3. The Notice shall be in the form of a formal letter addressed to the Chairman of the Commission.
- 8.1.4. For the purpose of ensuring that any payment made by subscribers is available for refund in the event of MVN service failure, the Host Operator will be required to provide evidence of the establishment of a compensation fund (“Fund”). The evidence may be provided in the form of a copy establishment of the Fund and the monies deposited into the Fund, with the following conditions:
- i. The amount for the Fund is to be agreed upon between the Host Operator and the MVN service provider, based on the amount of airtime committed between the parties; and
 - ii. The Host Operator shall give express authorization to the Commission to utilize the fund to refund the subscribers, upon the Commission’s request.
- 8.1.5. The Commission reserves the right to request for additional information, if necessary.

8.2. **Stage 2 : Service Termination**

8.2.1. In the event of service termination due to the following circumstances but not limited to:

- i. **Duration and expiry of contract** between Host Operator and MVN service provider that may result to termination of service to the subscribers;
- ii. **Termination of contract** between Host Operator and MVN service provider due to inability of either parties to fulfill conditions of the commercial agreement; and/or
- iii. **Inability of MVN service provider** to sustain their business.

The MVN service provider shall provide a Notice of Service Termination (or "Stage 2 Notice") in the following forms:

- i. Formal letter to the Chairman of the Commission with a copy to the Host Operator; and
- ii. Public announcement in at least one (1) national language and one (1) English language national daily newspapers for at least three (3) consecutive days and shall be issued at least three (3) months prior to the last date of the actual service termination.

8.2.2. The Stage 2 Notice shall contain the following information, but not limited to:

NO	INFORMATION	DETAILS OF INFORMATION
1	Date of termination of service	Actual date of service termination.
2	Refund period	The start and end date of the refund process conducted by the MVN Service Provider.
3	Service continuity options	<p>The types service continuity options provided by the MVN Service Provider to the subscribers in the event of service termination:</p> <ul style="list-style-type: none"> i. To port to another service provider; or ii. To terminate the existing service.
4	Contact information	<p>Information of the MVN Service Provider which includes:</p> <ul style="list-style-type: none"> i. Office address; ii. Customer service hotline; iii. Operating hours for customer support; and iv. E-mail address of the customer service.
5	Mobile Number Portability ("MNP") process	Information provided on the number portability process and requests.

Table 2: Stage 2 Notice – Information Required

8.3 **Stage 3 : Refund to Subscribers**

- 8.3.1 The MVN service provider shall refund the remaining prepaid or deposit paid by the subscribers within three (3) months after the issuance of the Notice of Service Termination. The remaining prepaid value or deposit shall be refunded without any delay upon request from the subscribers.
- 8.3.2 After the issuance of Stage 2 Notice, the MVN service provider shall provide the following reports to the Commission:
- i. Initial Report within three (3) months after the issuance of Stage 2 Notice; and
 - ii. Weekly Reports during the refund process.
- 8.3.3 The above Reports shall include the following, but is not limited to:
- i. Total number of subscribers;
 - ii. Details on the remaining prepaid value;
 - iii. Progress of refund;
 - iv. Total number of subscribers who choose to port; and
 - v. Total number of subscribers who choose to terminate their service.
- 8.3.4 The Reports shall be accompanied by a declaration signed by a Key Management Personnel of the MVN service provider duly authorized by the board of directors certifying the authenticity of the Reports.

8.3.5 At this stage, the Commission shall assess the situation and certify on the applicability of the trust fund to be executed should the MVN service provider fails to fully refund the affected subscribers.

8.3.6 During the refund process, the MVN service provider is required to:

- i. Provide subscribers with the option to either port to another service provider, or to terminate the existing service;
- ii. Refund unutilised prepaid balance or any kind of deposit (for subscribers who choose to terminate the service); and
- iii. Transfer unutilised prepaid value and/or deposit to the new service provider (for the subscribers who chooses not to port).

8.3.7 The MVN service provider shall develop its own Standard Procedures providing the appropriate mechanism to exercise the refunding process. The Standard Procedure shall outline the minimum requirements for the refund procedures, to include the following information but not limited to:

- i. Requirement of proof of identity (i.e. identification card or passport);
- ii. Terms and conditions for refund (i.e. Refund is applicable for prepaid value topped up within certain period before the issuance of service termination notice); and
- iii. Timeline for refund (i.e. an hour or a day after the request for refund from subscribers).

8.3.8 All information on prepaid refund in the Standard Procedures shall be made available in clear and simple language for subscribers' easy access and understanding.

8.4 **Stage 4 : Continuity of Service**

8.4.1 Three (3) months after the announcement of service termination, both the MVN service provider and Host Operator shall ensure the continuity of service of the remaining subscribers (if any).

8.4.2 The MVN service provider that manages its own subscriber database (e.g. NSP (I) licensees) shall handover its remaining subscriber's database and the HLR to its Host Operator within three (3) months from the service termination date, in order to enable continuity of service after the refund process is completed.

8.4.3 The Host Operator shall provide service continuity options to the subscribers who have not ported as follows:

- i. The subscribers may remain attached to the Host Operator;
or
- ii. The subscribers may port to other service provider of its choice

8.4.4 Three (3) months after the receipt of the Notice of Service Termination from the MVN service provider, the Host Operator shall ensure that the unutilised prepaid value is being carried forward to enable the subscribers to utilise this value with the new services and packages offered by the Host Operator.

- 8.4.5 The Host Operator may convert the unutilised prepaid value to a similar value (for example, airtime value).
- 8.4.6 The Host Operator shall provide sufficient information regarding the new services, packages, terms and conditions as well as other relevant information to the subscribers who wish to remain with the Host Operator.
- 8.4.7 The Host Operator shall ensure that the subscribers' porting process be conducted in a fair and reasonable manner.
- 8.4.8 The Host Operator shall produce its own Standard Procedures in migrating the subscribers and shall make it available in clear and simple language for easy access and understanding.
- 8.4.9 The Standard Procedures shall contain the following information, but not limited to:
- i. Procedures in migrating the subscribers;
 - ii. Options for porting to other service provider for the subscribers;
 - iii. Timeline for migration plan; and
 - iv. Maintenance/ handing over of subscriber's database.
- 8.4.10 The Host Operator and the MVN service provider shall ensure that the subscribers' personal data are always protected during the migration period and shall comply with the requirements of other written law.

- 8.4.11 The Host Operator shall submit a report to the Commission within seven (7) working days, six (6) months after the issuance on Notice of Service Termination by the MVN Service Provider.
- 8.4.12 The report shall contain at least and not limited to the following information:
- i. Number of complaints received;
 - ii. Methods used in managing the complaints; and
 - iii. Percentage of unresolved complaints.
- 8.4.13 The Commission shall, based on the report submitted above, provide a written instruction on whether the Fund is to be executed to refund the subscribers. The Host Operator may dissolve the Fund once the Commission is satisfied that the subscribers have been funded as required.

Audit and Verification

9. The Commission may from time to time conduct an audit exercise to verify compliance with this mandatory standard.

Applicable Guideline

10. The Commission may at any time issue guidelines in respect of any provisions in this Determination.

Made XX XXX 2015

DATO' SRI DR HALIM SHAFIE

Chairman

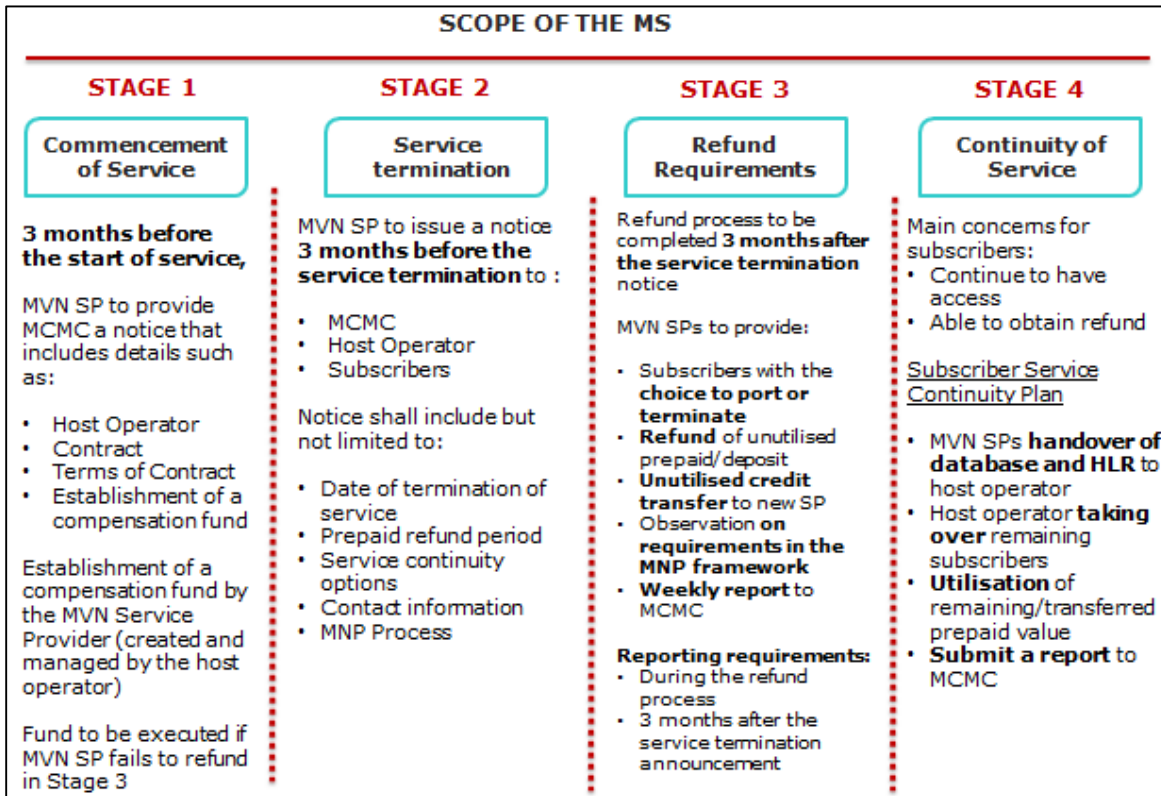
Malaysian Communications and Multimedia Commission

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APPENDIX 2

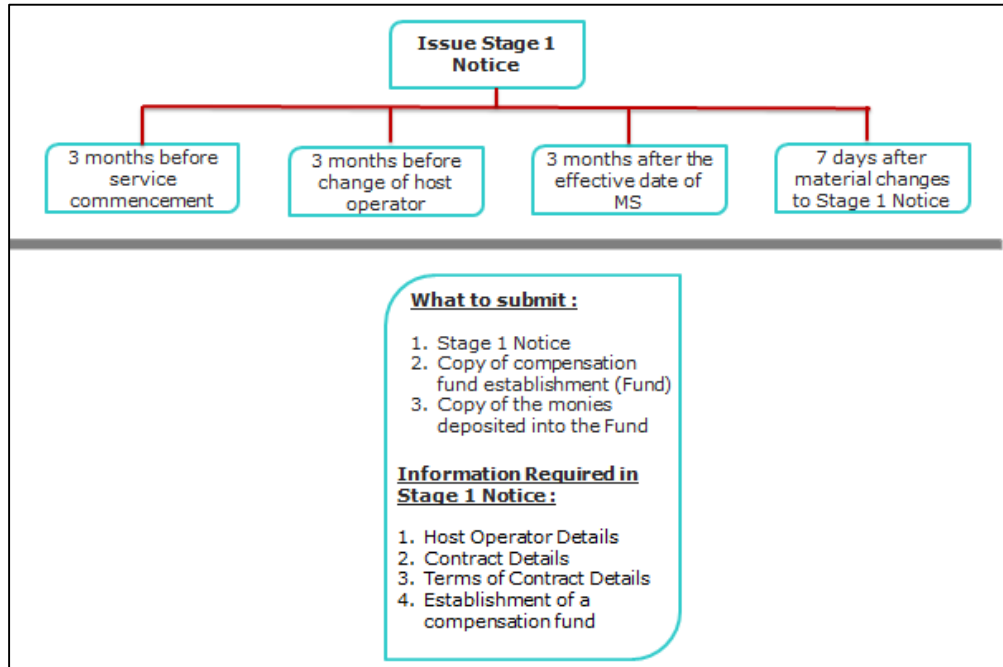
Summary of Mandatory Standard Process

SCOPE OF THE MANDATORY STANDARD



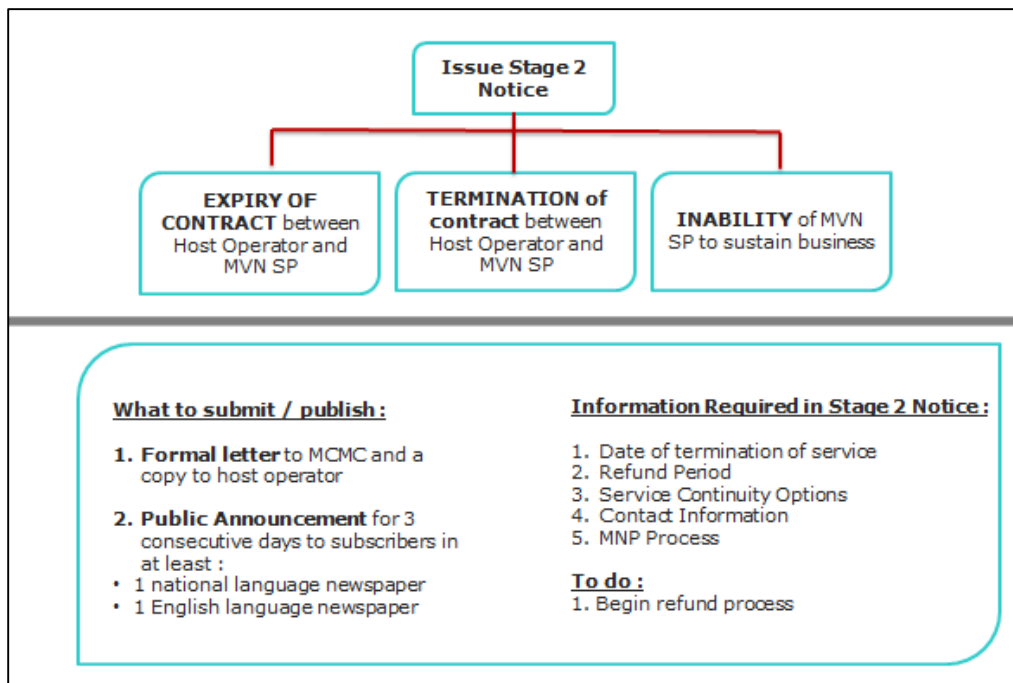
STAGE 1: COMMENCEMENT OF SERVICE

Stage 1 Notice:



STAGE 2: SERVICE TERMINATION

Stage 2 Notice:



STAGE 3: REFUND TO SUBSCRIBERS

Submission of reports to MCMC:

1. 3 months after Service Termination date
2. Weekly Refund Process

Information Required in both reports:

1. Total number of subscribers
2. Details of remaining prepaid value
3. Progress of refund
4. Total number of subscribers who choose to port
5. Total number of subscribers who choose to terminate

To Do:

1. Provide choice to subscribers (to port or terminate)
2. Refund unutilized prepaid
3. Transfer unutilized prepaid value

STAGE 4: CONTINUITY OF SERVICE

Submission of reports to MCMC:

1. 6 months after Stage 2 notice

Information Required :

1. No of complaints received
2. How are the complaints managed
3. % of unresolved complaints

To Do:

1. Thicken MVN to handover database & HLR to Host Operator
2. Host Operator to take over remaining subscribers
3. Host Operator to enable utilization of the transferred prepaid value
4. Host Operator to provide service continuity