



VENDOR AND CONTACTOR LICENCE

GRANTED BY

THE COMMUNICATIONS COMMISSION OF KENYA

TO

XXXXXXXXXXXXXXXXXXXXXX

FOR THE PROVISION OF

**TELECOMMUNICATIONS EQUIPMENT VENDING,
INSTALLATION AND MAINTENANCE SERVICES**

IN

THE REPUBLIC OF KENYA

LICENCE NO. TL/TEC/xxxxx

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THE LICENCE TERMS

The Communications Commission of Kenya (the "**Commission**"), in accordance with the Kenya Communications Act of 1998 (the "**Act**"), hereby authorises xxxxxxxxxxxxxxxx (the "**Licensee**") to sell, install and maintain telecommunications equipment as described herein (the "**Licensed Services**") in accordance with the Terms and Conditions set out in this Licence.

1. The Licensee shall only deal with telecommunications equipment which has been type approved by the Commission.
2. The Licensee shall only provide the licensed services to persons in possession of valid licences issued by the Commission and/or Subscribers of a service provider licensed under the Act.
3. This Licence is issued on _____ (the **Effective Date**) and amends, and replaces the licence granted to the Licensee on ----- under licence number TL/V&C/-----
--- This Licence shall not relieve the Licensee of any liabilities, responsibilities or obligations arising out of any agreements and/or contracts entered into under the previous licence/s.
4. This Licence is granted for a period of five (5) years (the "**Licence Period**") from the Effective Date unless it is revoked earlier in accordance with the Licence Conditions herein. The Licensee may renew the Licence at the expiry of the Licence Period.
5. Notwithstanding Clause 5 above, the Commission may at any time revoke this Licence by giving three (3) months' notice in writing in any of the following circumstances:
 - 5.1. if the Licensee agrees in writing with the Commission that this Licence should be revoked;
 - 5.2. if any amount payable under Conditions 10 is unpaid forty-five (45) days after the Commission notifies the Licensee that the payment is overdue, such notification not to be given earlier than fourteen (14) days after the date on which the payment is due;
 - 5.3. if the Licensee has breached a Condition in this Licence and the breach is of a material nature, and the Licensee has failed to comply with any notice issued by the Commission under the Act or under the Kenya Communications Regulations, 2001 ("the **Regulations**") and thereafter has been given by the Commission a further sixty (60) days in which to make representations in relation to the matters set out in the earlier notice which the Commission has taken into account or matters which the Licensee believes are relevant and the Commission appears not to have taken into account;
 - 5.4. if the Licensee is dissolved or enters into liquidation, bankruptcy or equivalent proceedings or makes a general assignment for the benefit of creditors, and

After the end of the three (3) months' notice, the Commission shall publish a notice in the Kenya Gazette stating that it intends to revoke this Licence and setting out the reasons on which this intention is based. Revocation shall take effect seven (7) days following publication of the notice in the Kenya Gazette.

6. Any word, phrase or expression used in this Licence shall, unless the context requires otherwise, have the same meaning as it has in the Act.
7. Words importing the singular shall include the plural and vice versa; words denoting persons shall include bodies corporate and unincorporated associations of persons and vice versa; words denoting gender shall refer to all genders.
8. The Licensee shall not assign, delegate, transfer or encumber in any manner the rights, interests or obligations under this Licence without the prior, express and written consent of the Commission, such consent not to be unreasonably withheld or delayed.
9. This Licence and the Licensee are subject to the provisions of the Act including, but not limited to, licence modifications and enforcements.
10. In this Licence the following terms shall have the following meanings:
 - 10.1. “**Act**” means the Kenya Communications Act 1998, any successor legislation and any subsequent amendments made thereto;
 - 10.2. “**Commencement of Works Order**” means a certification document issued by the Licensee detailing the nature and extend of the installation of telecommunications equipment for a Customer;
 - 10.3. “**Completion of Works Certificate**” means a certification document issued by the Licensee detailing the successful completion and the tests performed on an installation;
 - 10.4. “**Compliance Report**” means a report prepared periodically by the Licensee detailing his compliance in respect of every licence condition;
 - 10.5. “**Compliance Certificate**” means a certificate issued by the Commission to a licensee upon compliance with license terms and conditions;
 - 10.6. “**Effective Date**” means the date when the Licence was first issued, or in the case of a Licence replacement, the date when the original Licence was issued;
 - 10.7. “**Government**” means the Government of the Republic of Kenya;
 - 10.8. “**Maintenance Services**” means procedures undertaken to ensure the continued performance of telecommunications systems or apparatus in accordance with the specifications and standards;
 - 10.9. “**Regulations**” means the Kenya Communications Regulations, 2001 and its subsequent amendments;
 - 10.10. “**Reference Service Level Agreement (SLA)**” means a standard template of the SLA between the Licensee and Requesting Licensees.
 - 10.11. “**Requesting Licensee**” means a person licensed by the Commission who intends to be a Subscriber;

- 10.12. **“Satisfaction of Works Certificate”** means a certification document issued by a subscriber whose telecommunications equipment installations have been successful completed, tested and commissioned by the Licensee;
- 10.13. **“Service Level Agreement”** means an agreement entered between the Licensee and a Subscriber defining the nature of the services to be provided and establishing a set of parameters to be used in measuring the agreed service level;
- 10.14. **“Subscriber”** means any natural person or legal entity who or which is party to a contract with the licensee;
- 10.15. **“Technical Personnel”** means an employee of the licensee authorised by the Commission to undertake the installation, testing, commissioning and maintenance of telecommunications equipment;
- 10.16. **“Telecommunications Equipment”** means an indoor/outdoor telecommunications equipment/system;
- 10.17. **“Telecommunication System”** means a system used for transmission, reception and switching of signals, such as electrical or optical, by wire, fibre, or electromagnetic means.
- 10.18. **“User”** means a legal entity or natural person using or requesting a publicly available electronic communications service;
- 10.19. **“Works Order”** means a project undertaken by the Licensee on behalf of a Customer for the construct and install of telecommunications terminal networks and equipments;

1. CONDITION 1: COMMENCEMENT OF WORKS REQUIREMENTS

- 1.1. The Licensee shall file a Commencement of Works Order with the Commission before embarking on any installation of telecommunications equipment.

2. CONDITION 2: COMPLETION OF WORKS REQUIREMENTS

- 2.1. The Licensee shall upon completion of works submit for approval Completion of Works Certificate to the Commission in a form prescribed by the Commission.
- 2.2. The Completion of Works Certificate shall include details of the licensed Technical Personnel who supervised the Works.
- 2.3. The Commission shall grant a provisional approval or disapproval of the Completion of Works Certificate within thirty (14) days of its registered receipt and if:
 - 2.3.1. provisionally approved, the Licensee shall commission the works and request the Customer to complete a Satisfaction of Works Certificate. The Licensee shall submit a copy of the Customer's Satisfaction of Works Certificate to the Commission, and;
 - 2.3.2. disapproved, the Commission shall inform the Licensee in writing the reasons and require the Licensee to remedy and resubmit the Completion Certificate for re-evaluation.
- 2.4. The Commission shall issue the Licence with a final approval of the Works Order within 3 months of receipt of the Satisfaction of Works Certificate.

3. CONDITION 3: MAINTENANCE OF EQUIPMENTS

- 3.1. The Licensee shall maintain telecommunications equipments in accordance and under contact with the Customer.
- 3.2. The contract for maintenance of equipments shall include but not limited to charges for all services to be rendered and shall be availed to the Commission on demand.

4. CONDITION 4: ENGAGEMENT OF A COMPETENT TECHNICAL PERSONNEL

- 4.1. The Licensee shall only engage a licensed Technical Personnel to install and maintain telecommunications equipment.
- 4.2.
- 4.3. The Licensee shall ensure that the Commencement of Works Order and the Completion Certificate are signed by the licensed Technical Personnel.

5. CONDITION 5: REQUIREMENT TO PROVIDE INFORMATION

- 5.1. The Licensee shall keep a record of all works and such records shall be availed to the Commission on demand.

- 5.2. The Licensee shall in addition maintain such other information as will enable the Commission to carry out its functions under the Act in such manner as the Commission may prescribe from time to time.
- 5.3. In particular, by the 15th July of every year, the Licensee shall submit a Compliance Report detailing the performance of the previous operational year ended 30th June.
 - 5.3.1. The Commission shall review the Compliance Report and if the Licensee is in compliance with the Licence, issue the Licensee with a Compliance Certificate in respect to each area of compliance for the year under review. If the Licensee is not in compliance with the Licence, require the Licensee to remedy the areas of non-compliance and/or take any other appropriate action in accordance with the provisions of this Licence and the Act.
- 5.4. In making a request for information, the Commission will ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information, unless the Commission considers such information is essential to enable it to exercise its functions under the Act.
- 5.5. The Commission shall have the right to publish information which it receives under this Condition unless, following representations by the Licensee, the Commission is satisfied that the information is of such confidential nature that disclosure would have a material adverse effect on the Licensee's business.

6. CONDITION 6: INSPECTION

The Licensee shall permit the Commission (or a person authorised by the Commission) and where necessary accompany the Commission (or a person authorised by the Commission) to inspect installations, constructions and maintenance undertaken and/or being undertaken by the Licensee to enable the Commission to exercise its functions under the Act.

7. CONDITION 7: NOTIFICATION OF CHANGE IN SHAREHOLDING

- 7.1. Subject to 7.3 below, the Licensee shall notify the Commission of:
 - 7.1.1. any change in the proportion of the shares held directly in a Licensee by any person, and
 - 7.1.2. the acquisition of any shares and such shares not being shares already listed in any stock exchange held directly in a Licensee by a person not already holding shares, and the proportion of such shares held by that person immediately before acquisition.
- 7.2. The Licensee shall notify the Commission prior to any entity acquiring ownership or control of all or a majority of the stock of the Licensee such that the Licensee shall stand as a subsidiary in relation to that entity.
- 7.3. The Licensee shall be obliged to notify the Commission of any acquisition of shares or change in shareholding of the Licensee by any person and such shares not being shares already listed in any stock exchange only if, by reason of that acquisition or change, the

total number of shares in the Licensee held by that person together with any shares held by any nominee or trustee for that person immediately after the change or acquisition:

- 7.3.1. exceeds 15 per cent of the total number of shares in the Licensee (where it does not exceed 15 per cent prior to that change or acquisition);
 - 7.3.2. exceeds 30 per cent of the total number of shares in the Licensee (where it does not exceed 30 per cent prior to that change or acquisition), and
 - 7.3.3. exceeds 50 per cent of the total number of shares in the Licensee (where it does not exceed 50 per cent prior to that change or acquisition).
- 7.4. In any case referred to in 7.1 or 7.2 above, notification shall be given by a date, which is thirty (30) days prior to the taking effect of such change or acquisition, as the case may be.
- 7.5. In instances referred to in 7.2 and 7.3 above, if the Commission disapproves of the change in shareholding notified to it, it shall notify the Licensee within thirty (30) days of receipt of notification. The Commission may within sixty (60) days of notifying the Licensee of its disapproval, having taken into account representations made by interested parties, and giving reasons for its decision, prohibit the change in shareholding where it believes it is in the public interest to do so.

8. CONDITION 8: PRE-NOTIFICATION OF JOINT VENTURES

- 8.1. Unless the Commission otherwise agrees, the Licensee shall notify the Commission not later than thirty (30) days before the taking effect of any of the agreements or arrangements to which this Condition applies giving particulars of the agreements and/or arrangements. The agreements or arrangements are an agreement with any person for the establishment or control of anybody corporate for the purpose of:
- 8.1.1. the running of a telecommunications system which requires a licence under the Act;
 - 8.1.2. providing telecommunications services in Kenya which necessarily involve the running of such a system;
 - 8.1.3. the production of telecommunications apparatus for supply in Kenya where that production would lead, in the Commission's view, to a monopoly situation which would not otherwise exist in relation to the supply of telecommunications apparatus of any description in Kenya;
 - 8.1.4. an agreement for the establishment of a partnership for any of those purposes and in those circumstances, and
 - 8.1.5. any other agreement or arrangement in the nature of the joint venture for the purpose of running a telecommunications system which requires a licence under the Act or for the purpose of providing telecommunications services in Kenya which necessarily involve the running of such a system.
- 8.2. 8.1. above applies in relation to an agreement or arrangement for the establishment or control of anybody corporate or partnership where the Licensee has or is to have not less than twenty (20%) per cent of the voting power in any organ controlling that body.

9. CONDITION 9: DISPUTE SETTLEMENT

The dispute settlement mechanism set out in the Act shall apply to any dispute or disputes that arise out of the provisions of this Licence.

10. CONDITION 10: LICENCE FEES

- 10.1. Before the issuance of the Licence, the Licensee shall pay to the Commission an initial licence fee amounting to Kenya shillings fifteen thousand (KShs. 15,000) only.
- 10.2. The Licensee shall pay to the Commission an annual operating fee amounting to Kenya shillings six thousand (KShs. 6,000) only

Signed for and on behalf of Communications Commission of Kenya

**Director/ Licensing Compliance and Standards
Director General
Communications Commission of Kenya**

Date