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# Regulatory framework for MVNO

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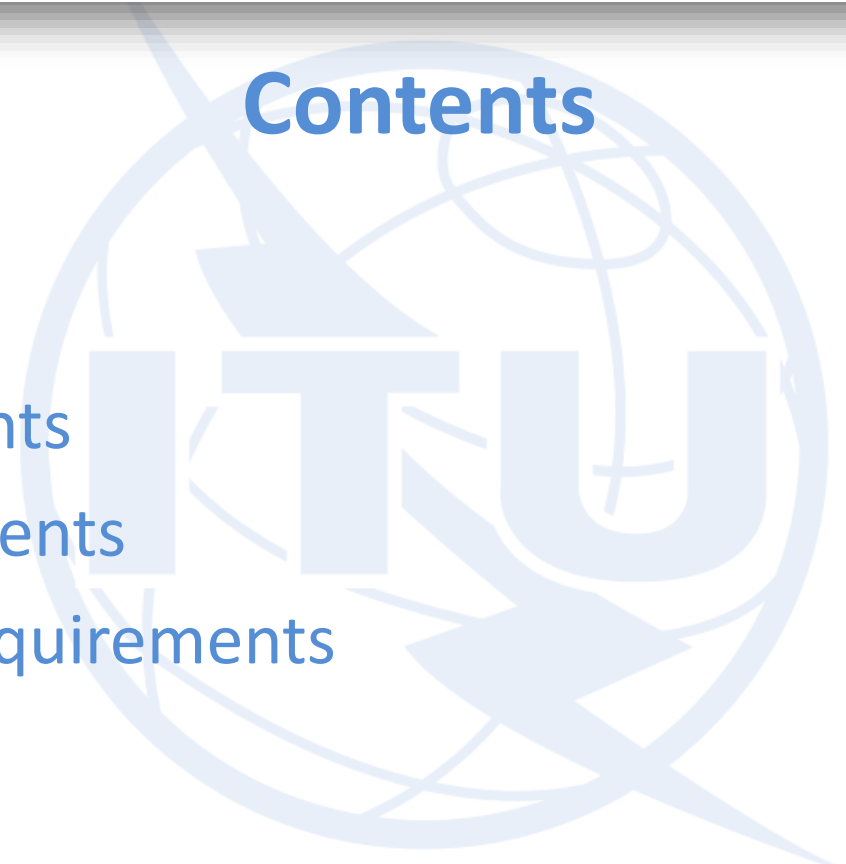
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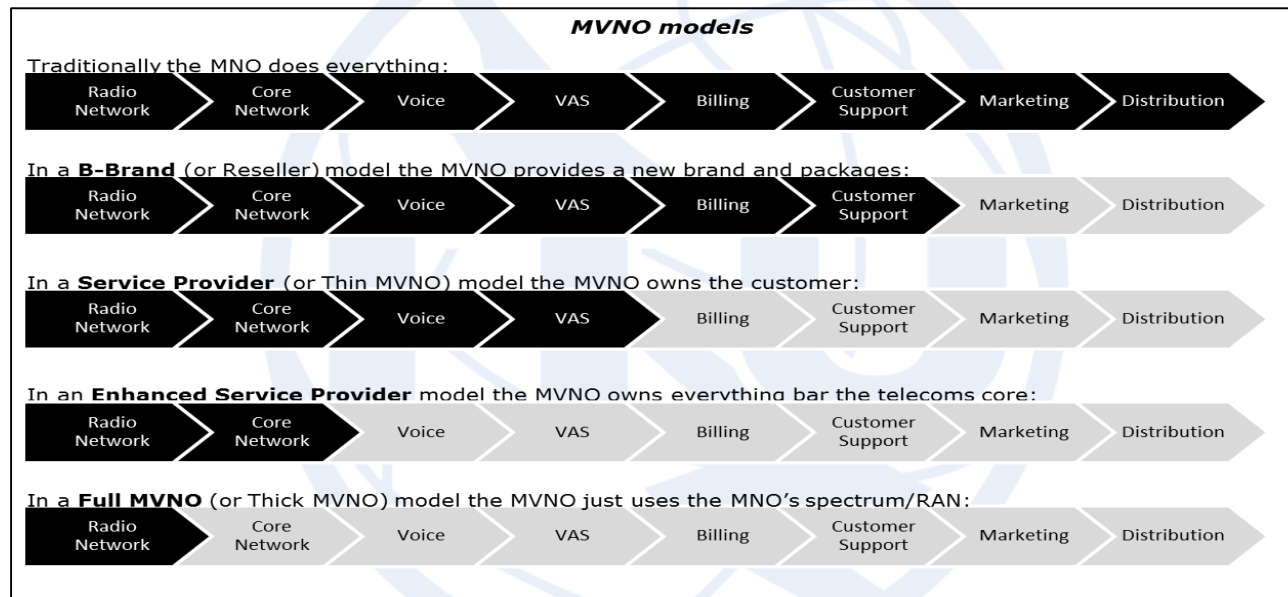


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- General
- Licensing requirements
- Wholesale arrangements
- Consumer related requirements



## Mobile Virtual Network Operators



- MVNOs do not have any spectrum assigned, but acquires wholesale mobile telephony services from mobile operators and resells to end users

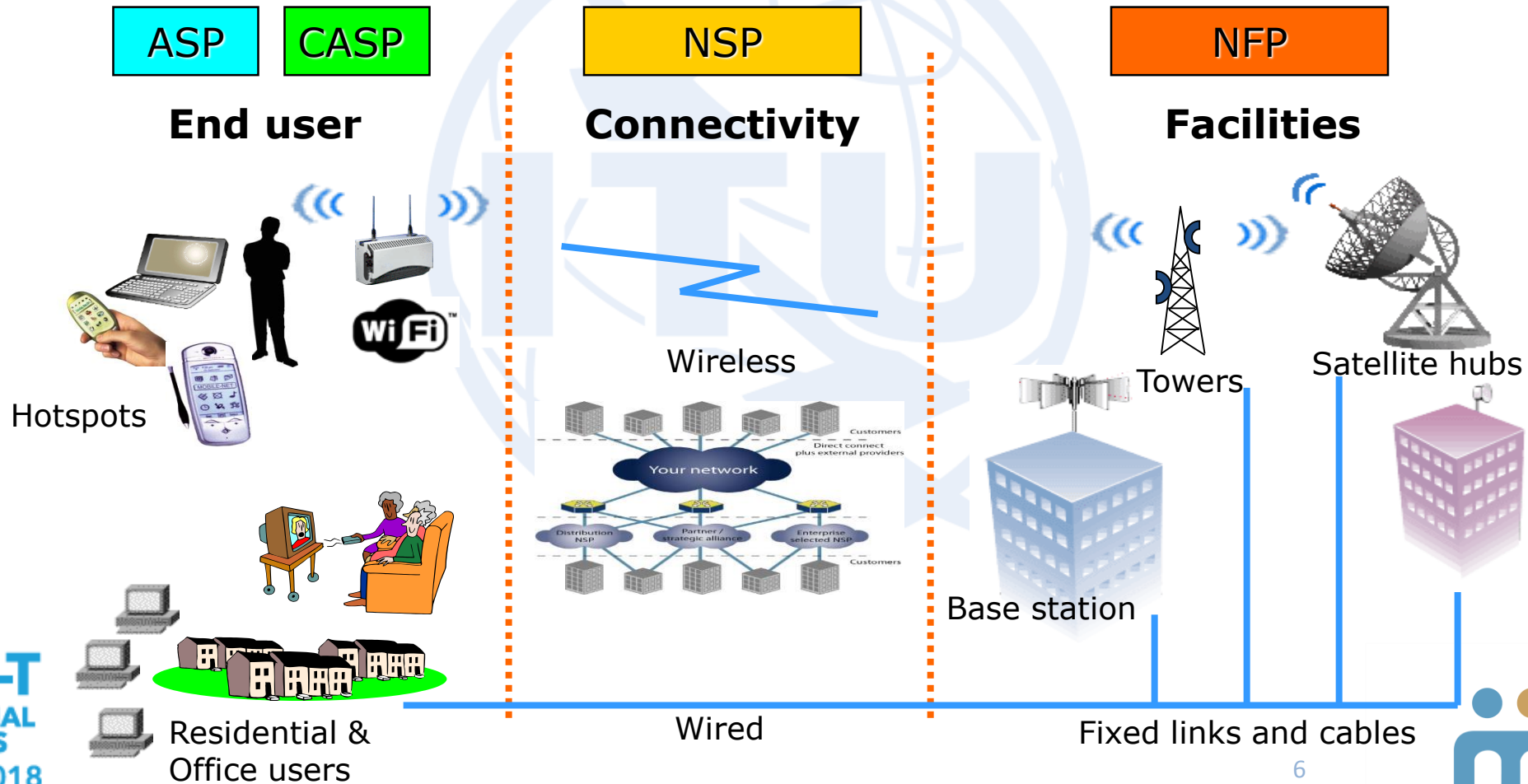
## MVNOs in Malaysia

- 3G mobile operators introduced MVNOs (as part of their commitment to bid for 3G spectrum) in 2000s
- Mobile penetration rate is 134% (Quarter 2, 2018)
- To date, there are about 34 MVNOs in the market
- Some offerings:
  - voice, data packages or for niche markets,
  - innovative products such as loan airtime (financial inclusion), prepaid SIM that allows 2 countries' numbers

## Licensing and numbering requirements

- Depending on the model adopted by MVNOs:
  - licensing requirements differ
  - whether would need to apply for numbers from MCMC

## Categories of licences



## Wholesale requirements

- MVNO Access was regulated in the Access List in 2015
  - There were already a lot of MVNOs
  - However, there were complaints received from MVNOs on unreasonable terms and conditions
  - MCMC considered that regulation could continue to promote competition
- This means:
  - Each of the Mobile Operators are required to publish their terms and conditions to offer MVNO Access in their Reference Access Offer
  - These terms and conditions be reasonable, equitable and applied in a non-discriminatory manner

## Wholesale requirements

- MVNOs have the option to accept the terms and conditions as offered in the Reference Access Offer or negotiate the terms further
- If the parties negotiate, there is a specified duration (4 months for parties with no prior agreement, 3 months if they have a prior commercial agreement)
- If the parties have any dispute, there are dispute resolution procedures that can be invoked before seeking that the dispute be resolved by MCMC



## Consumer requirements

- MVNOs would also need to comply with consumer requirements, like any other licensee, such as:
  - Quality of Service requirements
  - Consumer protection (dealing with consumer complaints etc)
  - Registration of prepaid users
- MVNOs that wish to terminate their services:
  - Need to submit termination notice to MCMC three months prior
  - Need to provide service continuity options for its consumers (either to port to another service provider or to terminate services)

## Further Information

- Guideline on Mobile Virtual Network Business Segment in Malaysia, 15 April 2016
- Commission Determination on the Mandatory Standard for the Provision of Services through a Mobile Virtual Network, Determination No. 3 of 2015
- Commission Determination on Access List, Determination No. 2 of 2015
- Commission Determination on the Mandatory Standard on Access, Determination No. 3 of 2016