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Regulatory framework for MVNO

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• 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

- **End user**
  - ASP
  - CASP
  - NSP
  - NFP

- **Connectivity**
  - Wired
  - Wireless
  - Fixed links and cables
  - Towers
  - Base station
  - Satellite hubs

- **Facilities**
  - Residential & Office users
  - Hotspots
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