

Auction of Radio Spectrum
in the 850/900 MHz and 2.3 GHz Bands
for the Provision of Public Mobile Services
- Questions and Answers

The Communications Authority (the “Authority”) has received questions in relation to the Information Memorandum (“IM”) published on 19 July 2024 for the Auction of Radio Spectrum in the 850/900 MHz and 2.3 GHz Bands. The Authority hereby sets out under paragraph F.2.1 of the IM its responses to the questions.

Terms not otherwise defined herein shall have the same meaning ascribed thereto in the Notice issued by the Authority on 19 July 2024 for the Auction, or as the case may be, in Annex F “Glossary of Terms” of the IM.

AUCTION ARRANGEMENTS AND LOGISTICS (AL)

AL.1 Will the Authority accept any Letter of Credit for payment of Deposit or Letter of Credit / Performance Bond to guarantee payment of Spectrum Utilisation Fees (“SUF”) issued by any banking institutions in Hong Kong?

Ans. The Authority only accepts a letter of credit for payment of the Deposit and a letter of credit or a performance bond to guarantee payment of SUFs issued by a “Qualifying Bank” as defined in the Information Memorandum.

“Qualifying Bank” means an institution holding a full banking licence under the Banking Ordinance (Cap. 155) which long term issuer rating is, or is higher than –

(a) one or more of the following –

- (i) Moody’s A2;
- (ii) Standard & Poor’s A;
- (iii) Fitch Ratings’ A; or

(b) a rating of a body other than a body listed in subparagraph (a) which, in the opinion of the Authority, is equivalent to one or more of the ratings in that subparagraph.

The Bidder must duly check and make sure that the bank it engages is a “Qualifying Bank” when it submits the relevant documents to the Authority. It is required that the bank should use the templates provided in the IM when preparing the letter of credit or performance bond, as appropriate.

AL.2 Whether it is necessary to have two Authorised Representatives, both are directors of the Bidder to sign the Application Form. Is it possible a director plus any one of the Chief Financial Officer, Chief Technical Officer, Chief Operating Officer or authorised person who is not a director can sign the Application Form as long as they are actively operating and/or managing the business of the Bidder?

Ans. The two Authorised Representatives who are to sign the Application Form must be the directors of the Bidder regardless of whether they also hold any other principal officer title. Such requirement is stated clearly in the Application Form and the Bidder Compliance Certificate. Any additional papers submitted as part of the Application Form must also be signed by these two Authorised Representatives.

**Office of the Communications Authority
28 August 2024**