

## **Notification of the**

COMMENCEMENT OF THE AUCTION

entitlements in the 3400–3800 MHz frequency band

11 April 2016



The language of the proceedings is Hungarian. The English version is provided for reference only. In the event of any conflict or discrepancy between the Hungarian and English versions, the Hungarian version shall prevail.

In its capacity as authority in charge of civil frequency management, the Office of the National Media and Infocommunications Authority (hereinafter: Contracting Authority), announces an auction (hereinafter: auction procedure) for acquiring entitlements to use frequencies in the 3400-3800 MHz frequency band.

- 1. The auction procedure will be started *ex officio* on the day of the release of this notice, that is, on 11 April 2016.
- 2. The auction procedure shall be governed by the rules set out in NMHH Decree 4/2011. (X. 6.) on the rules of the auction and tendering for acquiring frequency use entitlements, issued by the National Media and Infocommunications Authority (NMHH), (the Decree hereinafter: Ápszr.).

The auction procedure is an administrative case and an administrative procedure falling within the NMHH's scope of authority.

The auction procedure shall be governed by the rules set out in Act C of 2003 on Electronic Communications (hereinafter: Electronic Communications Act) and Act CXL of 2004 on the General Rules of Administrative Proceedings and Services (hereinafter: Administrative Proceedings Act).

3. The detailed rules of the auction procedure are set forth in the tender notice documentation (hereinafter referred to as the Documentation) drawn up by the Contracting Authority.

The Documentation will be available in hard copy from the date of publication of this Notice until the expiry of the application deadline, after the transfer of the Documentation fee – and presentation of its proof – to the Contracting Entity, at the premises of the Contracting Entity (1015 Budapest, Ostrom u. 23-25., between 9:00 a.m. and 2:00 p.m. on working days). The Documentation fee shall be transferred to the Contracting Authority's account (number 10032000-00300939-00000017) kept with the Hungarian State Treasury, specifying "Documentation fee for 3400–3800 MHz" in the comment field of the transfer order.

The Documentation fee is HUF 20,000 + 27% VAT, that is a total of HUF 25,400 (twenty-five thousand and four hundred forints).

The Documentation can be downloaded from the Contracting Entity's website (<a href="http://nmhh.hu">http://nmhh.hu</a>) in electronic form free of charge, however, acquiring the Documentation in this form (downloading) shall not grant eligibility to its holder for participating in the auction procedure as an applicant.

- 4. The subject of this auction procedure comprises entitlements to using the user blocks formed, in accordance with the rules laid down in the Documentation, of
  - 16 (sixteen) 2\*5 MHz anonymous FDD basic blocks in the 3410-3590 MHz frequency range (in the 3400-3600 MHz frequency band) and
  - 40 (forty) 5 MHz anonymous TDD basic blocks in the 3600-3800 MHz frequency range (3600-3800 MHz frequency band),

specified in NMHH decree 7/2015 (XI.13.) on the national frequency allocation and on the utilization rules of frequency bands (hereinafter: NFFF).

An economic operator that has acquired entitlement to use frequencies may, meeting other statutory requirements, lawfully install and operate an electronic communications network for the provision of



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electronic communications services on the basis of, and in accordance with the provisions laid down in, its frequency use licence.

The detailed description of frequency bands forming the subject of the auction procedure and the rules on their use are set out in the Documentation, in particular those laid down in Annex 1 thereto, as well as legislation governing frequency use (in particular, the NFFF).

The (quantitative) limits on the acquisition of frequency use entitlements are set out in the NFFF and the Documentation.

The frequency bands listed in column 1 of the following table may be used from the dates listed in column 2 based on the final framework licence issued by the Authority:

Frequency bands	Date before which the frequency band must not be used frequency band
3410-3424 / 3510-3524 MHz	10.07.2016
3427.5–3441.5 / 3527.5–3541.5 MHz	20.07.2016
3445-3459 / 3545-3559 MHz	26.07.2016
3480-3494 / 3580-3594 MHz	26.07.2016

All frequency use entitlements acquired in the shall expire on 15 June 2034.

The procedural rules on secondary trading in frequency use entitlements (rights) acquired in the auction procedure are laid down in MNHH Decree 7/2013. (IX. 19.) on the secondary trade of radio frequencies (secondary trade decree).

## 5. The reserve price for basic blocks:

Basic block	Reserve price (HUF)		
	In numbers	In letters	
One 2*5 MHz FDD basic block	108 000 001	one hundred eight million and one	



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One 5 MHz anonymous TDD basic block	54 000 001	fifty-four million and one
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The above prices do not include VAT, and as this auction procedure is conducted by a public authority the full auction price due is VAT-exempt pursuant to Section 7 of Act CXXVII of 2007 on Value Added Tax.

- 6. Those seeking to participate in the auction procedure are required pay the Contracting Authority a participation fee of HUF 10,000,000 + 27 % VAT, or a total of HUF 12,700,000 (that is, twelve million and seven hundred thousand forints), in the way specified in the Documentation.
- 7. The application for participation in the auction procedure may be submitted in the way, and in observance of the content and format requirements, set out in the Documentation at the following address of the Contracting Authority, between 1:00 p.m. and 4:00 p.m. on 2 May 2016:

Office of the National Media and Infocommunications Authority

Address: 1015 Budapest, Ostrom utca 23-25.

8. For the personal criteria and the format and content requirements of conformity see the Ápszr. and the Documentation.

Budapest, 11 April 2016