



NMHH

Nemzeti Média- és Hírközlési Hatóság

**Auction Documentation on the
entitlement to frequency use in the
frequency band 3400-3800 MHz**

**AUCTION
DOCUMENTATION**

11 April 2016

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This document is the tender documentation (hereinafter: Documentation) of the auction procedure for entitlement to frequency use announced for the 3400–3800 MHz frequency band (hereinafter: Auction or auction procedure) issued by the Office of the National Media and Infocommunications Authority (1015 Budapest, Ostrom u. 23–25., hereinafter: Contracting Authority) specifying the detailed rules of the Auction and the application process thereof.

1. Fundamental provision

1.1. Definitions

The terms used in this Documentation shall be used in the following sense. The definitions and interpretations set out in the other provisions of the Documentation shall apply; in the absence of such, the pertaining legislative provisions shall apply.

a) "Offer"	the Offer Sheet and the performance security as regulated in the Documentation
b) "Offer Sheet"	the document as per Annex 3 of the Documentation
c) "basic block"	the smallest biddable frequency range defined within the frequency band specified in the Documentation
d) "controlling share"	da) a direct and indirect stake in the applying/participating economic operator, the total of which provides control in excess of twenty-five percent of the company's assets or voting rights; direct and indirect stakes of close relatives as per Article 8:1 (1) 1) of Act V of 2013 on the Civil Code (hereinafter: Civil Code) shall be combined, or db) any situation which makes a controlling influence in the applying/participating economic operator possible on the basis of a contract, the deed of foundation (bylaws) or preferred stock, through the appointment (removal) of the decision-making or supervisory bodies, or in any other way

e) "single group of owners"	<p>applicants/participants are deemed to belong to a single group of owners that</p> <ul style="list-style-type: none"> ea) hold a controlling share in one another, or one holds a controlling share in the other, or the same third party as economic operator holds a controlling share in both, or eb) are in a controlling relationship with one another or are under the control of the same third party as economic operator not involved in the auction procedure.
f) "theoretical user block"	a consecutive frequency block of basic blocks won by the participant where the position of the block within the frequency band is not determined
g) "economic operator"	any natural person, legal entity or organisation with no legal personality, a legally competent organisation in its own right, other registered organisation, sole traders, self-employed person
h) "controlling relationship or control"	<p>if a single economic operator or multiple economic operators together</p> <ul style="list-style-type: none"> ha) has the ownership of the interests or shares of the other economic operator entitling them to exercise majority voting rights, or are holders of more than fifty percent of the voting rights, or hb) are entitled to appoint, elect or recall the majority of the executive officials of another economic operator, or hc) are entitled by contract to exercise decisive influence on the decisions of another economic operator, or hd) acquire the ability on a factual basis to exercise decisive influence on the decisions of the other economic operator, or he) holds an indirect controlling influence over the other economic operator

<p>i) "indirect controlling influence"</p>	<p>an economic operator holds indirect controlling influence over another economic operator, which</p> <ul style="list-style-type: none"> ia) is directly controlled by the economic operator it directly controls (either alone or jointly with it), or ib) is under joint and direct control of the economic operators it directly controls, ic) is, in accordance with subsections ha)-he) or ia) or ib), under the control of the economic operators indirect controlled as listed in ia) or ib) above, or id) is controlled pursuant to subsections ia)-ic) by the economic operators indirectly controlled under subsections ia)-ic)
<p>j) "bid"</p>	<p>the price offered by the applicant on the Offer Sheet, as part of the application for the Auction, for the acquisition of entitlement to frequency use of any basic block identified in Section 2.2 or the price offered by the participant in the counteroffer as per Section 4.1</p>

1.2. Legislative background and the documents governing the auction procedure

The rules of NMHH Decree 4/2011 (X. 6.) on the rules of auction and tender for obtaining entitlement to frequency use (hereinafter: Decree on the rules of auction and tender) shall govern the auction procedure.

The auction procedure is an administrative case and an administrative procedure within the NMHH's scope of authority. 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) shall apply to the auction procedure.

The Documentation defines the detailed rules of the auction procedure pursuant to Section 3 (3) of the Decree on the rules of auction and tender.

The Documentation shall apply in issues arising during the auction procedure.

1.3. Liaising, notifications

The applicant shall provide the name, personal identification data and contact details (telephone number, Hungarian mailing address or the agent for service of process as per the Administrative Proceedings Act) of the person with full powers of representation (hereinafter: representative) in the



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auction procedure when applying (hereinafter: Application) for the Auction. The applicant shall also provide the name, personal identification data and contact details (telephone number, Hungarian mailing address or the name, personal identification data and contact details of the agent for service of process as per the Administrative Proceedings Act, as well as the applicant's fax number and e-mail address provided the applicant agrees to using fax or e-mail as the means for communication) of the authorised contact person (hereinafter: contact person).

Any changes in the identity or details of the contact person shall be reported to the Contracting Authority in writing, within three days (3) of such change in a duly signed original statement, sent in one copy via postal mail or courier service. The Contracting Authority shall acknowledge the changes in the identity or details of the contact person only after receipt of the original copy of the statement satisfying the criteria defined in this Section.

Any information shared with the contact person shall qualify as legally effective notification of the applicant/participant.

The Contracting Authority shall deliver, by mail, in person or by the Contracting Authority's courier, all forms and documents related to the auction procedure to the mailing address in Hungary provided for the contact person or to the agent for service of process as per the Administrative Proceedings Act. The Contracting Authority shall treat all administrative decisions made in the course of the auction procedure as official documents, pursuant to the rules set out in the Administrative Proceedings Act.

The Contracting Authority shall communicate with the contact person via fax if the applicant/participant provides a fax number at any time during the auction procedure and expressly consents to the use of such number for liaison purposes in a relevant statement. If the applicant/participant has consented to liaison via fax, any document sent to the fax number provided – with the exception of administrative decisions – shall qualify as legally effective delivery to the applicant/participant from the moment of confirmation of successful delivery.

For the sake of more efficient and faster liaison, the Contracting Authority may simultaneously send the documents dispatched via mail (or via courier in the event of a personal delivery, and/or fax in email with unchanged content, provided that the applicant/participant has provided an email address and has consented to the use of such address for liaison purposes. Any communication via email is void of legal effect, and in case of any discrepancies, the communication sent via postal mail, personal delivery or the Contracting Authority's courier and/or fax shall have legal effect.

Unless provided otherwise the Documentation or any amendments thereto, or unless the Contracting Authority defines a mandatory delivery method in consideration of the action or the nature of the document, all statements and documents addressed to the Contracting Authority during the auction procedure, as well as any other documents related to the auction procedure shall be delivered to the Contracting Authority's official address or fax number in writing, via postal mail, personal delivery or fax.

Any documents sent to the Contracting Authority in any phase of the auction procedure can be deemed effectively delivered only if the Contracting Authority has received the original copy of such document. To facilitate the faster processing of statements and documents and improve the auction procedure's efficiency, statements, documents and other forms may also be sent by fax to the Contracting Authority's



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fax number specified below or by email to the Contracting Authority's specified below simultaneously to delivery by post (or personal delivery), with such notification by fax or email having no legal effect; in case of any discrepancies, the contents of notification sent by postal mail (or delivered in person) shall prevail.

Unless provided otherwise by the Documentation, any document submitted to or delivered to the Contracting Authority as set out in this Section shall be considered adequate in the auction procedure only if it satisfies the formal requirements and the signature of one of the following persons is attached to the document:

- the contact person of the applicant/participant;
- the person(s) authorised to sign on behalf of the applicant/participant or the persons duly authorised by the them.

Contact details of the Contracting Authority:

Office of the National Media and Infocommunications Authority

- Address: 1015 Budapest, Ostrom u. 23-25.
- Mailing address: 1376 Budapest, Pf. 997.
- Telephone: (+36 1) 468 0579
- Telephone: (+36 1) 468 0682
- E-mail: 3500MHz@nmhh.hu

2. General provisions

2.1. *Purpose of the Auction*

One of the engines of the digital ecosystem is the development of the infrastructure, one possible and currently increasingly significant means of which is the building and development of wireless networks. As a responsible manager of the frequency spectrum, the National Media and Infocommunications Authority (hereinafter: Authority) provides for the conditions of efficient use of the radio-frequency spectrum by selling unused RF spectrum to facilitate the implementation of the latest technological developments for broadband data transmission services.

In addition to taking into account current use, the Authority also provides for the recycling of the frequency assets in view of expiring licences.

Due to increased consumer demand for broadband services, the utilisation of frequency bands suitable for broadband services but currently unused or used for other purposes is a high-priority public-interest objective. The 3400–3800 MHz frequency band offers an opportunity to install high-density and high-speed broadband wireless networks, which can provide innovative electronic communication services to end-users. The 3400–3800 MHz frequency band fits into the line of “mobile bands” in that it can be used to expand the existing “mobile bands” or even used independently and service the spectrum needs of 5G systems.

Currently, three operators have entitlement to frequency use for the 3400–3600 MHz frequency band up to July 2016. The flexible, harmonised rules implemented in the current auction procedure enable those with such entitlement to frequency use to acquire entitlement to frequency use at this Auction and thereby continue to operate their existing systems.

The 3600–3800 MHz frequency band not being used until this auction procedure is launched will be utilised by the Contracting Authority in compliance with the technical requirements detailed in NMHH decree 7/2015 (XI.13.) on the national frequency allocation and on the utilization rules of frequency bands (hereinafter: NFFF).

In addition, Decision No 243/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing a multi-annual radio spectrum policy programme (RSPP) required that, subject to market demand, the 3400-3800 MHz frequency band must be made available for wireless broadband systems which are capable of providing services with high data transfer speeds for subscribers (the population). In this auction procedure, the Contracting Authority has determined the conditions for frequency band use in line with these criteria and objectives; thus, the present auction procedure also complies with the rules of the European Union.

2.2. *Subject of the Auction*

The subject of this auction procedure is the entitlement to frequency use for the following user blocks as stipulated in the NFFF:

- a) 16 (sixteen) 2*5 MHz anonymous FDD basic blocks in the 3410–3590 MHz frequency range (hereinafter: 3400–3600 MHz frequency band) and
- b) 40 (forty) 5 MHz anonymous TDD basic blocks in the 3600–3800 MHz frequency range (hereinafter: 3600–3800 MHz frequency band)

created on the basis of the provisions in Section 4.2.1.

2.2.1 *Reserve price for basic blocks*

Basic block	Amount of reserve price (HUF)	
	In numbers	In letters
1 2*5 MHz FDD basic block	108,000,001	one hundred eight million and one
1*5 MHz TDD basic block	54,000,001	fifty-four million and one

The prices do not include VAT, and pursuant to Article 7 of Act CXXVII of 2007 on value added tax the full auction price due is VAT-exempt due to the public authority activity nature of this auction procedure.

2.2.2 *Restrictions on the acquisition of entitlement to frequency use*

A single participant or participants in a single group of owners may acquire entitlement to a minimum of 4 (four) and a maximum of six (6) FDD basic blocks in the 3400–3600 MHz frequency band, and a minimum of 4 (four) and a maximum of 20 (twenty) TDD basic blocks in the 3600–3800 MHz frequency band.

A single participant or participants in a single group of owners may acquire entitlement to frequency use for no more than 100 MHz in total in the 3400–3600 MHz and 3600–3800 MHz frequency bands combined.

2.2.3 *Use of the frequency obtained in the Auction, related obligations and the term of entitlement to frequency use*

Having fulfilled all other statutory conditions, the economic operator thereby acquiring the entitlement to frequency use may install and operate an electronic communications network to electronic communications services in compliance with the terms of the frequency use licence.

The application for the framework licence required for using the user block acquired at the auction must be submitted to the Contracting Authority within 2 (two) years after the entitlement to frequency use is



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obtained as stipulated in Section 22 (2) a) of the Decree on the rules of auction and tender, and the provisioning of electronic communication services must begin within 4 (four) years from the date the entitlement to frequency use is obtained the user basic blocks are acquired at the auction as stipulated in Section 22 (2) a) of the Decree on the rules of auction and tender. The Applicant's failure to comply with the above obligations will empower the Contracting Authority to employ legal consequences as stipulated in the Electronic Communications Act.

The entitlement to frequency use or frequency use right acquired at the auction procedure may be transferred or leased in part or in whole; this transfer or lease of frequencies may occur in units of basic blocks. NMHH Decree 7/2013 (IX.19.) on the secondary trading of radio frequencies (hereinafter: Decree on secondary trading) governs the right and entitlement to frequency use obtained in the auction procedure.

The detailed description and the rules of usage of the frequency band forming the subject of the auction procedure are specified in this Documentation, in particular the requirements set out in Annex 1 and in the legislation governing frequency usage (especially NFFF).

The common expiry date of the entitlement to frequency use for the frequencies available in the context of this auction procedure is **15 June 2034**.

2.2.3.1 Initial date for the utilisation of the frequency bands being the subject of the Auction

The application for the individual licence needed for the utilisation of the user blocks may be submitted from the day after the entitlement to frequency use has been secured pursuant to Section 22 (2) a) of the Decree on the rules of auction and tender.

The earliest dates for the utilisation of the frequency bands listed in column 1 of the following table are listed in column 2 based on the final framework licence issued by the Authority:

Frequency bands	Date before which the frequency band may not be used
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



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2.3. Publication of the Notice

The auction procedure is launched ex officio on the date of publication of the Notice on the Contracting Authority's website (and posting it to its bulletin board), on 11 April 2016.

2.4. Acquiring the Documentation

The Documentation is also available to the public on the website of the Contracting Authority at <http://nmhh.hu>.

The Documentation is downloadable free of charge from the website of the Contracting Authority (www.nmhh.hu). However, obtaining the Documentation this way does not entitle the party downloading the content to participate in the auction procedure.

The precondition for application for the auction procedure is purchasing the Documentation. The Documentation can be purchased from the date of publication of the Notice until the expiry of the application deadline and following transfer of the Documentation fee to the Contracting Authority, at 1015 Budapest, Ostrom u. 23–25., between 9 am and 12 noon on workdays.

The Documentation fee shall be transferred to the Contracting Authority's account number 10032000-00300939-00000017 held at the Hungarian State Treasury, specifying "Documentation fee for 3400–3800 MHz".

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

Proof of the transfer shall be presented upon collection of the Documentation, in particular the bank account statement showing the debiting of the account or bank transfer certificate (including printed copies of online bank transfer orders). The Contracting Authority shall also verify the crediting of the amount to its payments account specified herein based on its own records.

The person purchasing the Documentation shall provide proof of identification, and if such person wishes to purchase the Documentation as a representative of an economic operator (excluding natural persons or sole entrepreneurs), he/she shall submit an original copy of the officially signed proxy letter authorising representation (for purchasing the Documentation) to the Contracting Authority. The legal representative may certify his/her representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

If the person purchasing the Documentation is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for purchasing the Documentation) to the Contracting Authority.

The Contracting Authority shall draw up a protocol on the hand-over of the Documentation. The protocol may not be deemed as registration for the Auction as per Section 3.22.

When purchasing the Documentation, the following data must be supplied for invoicing purposes:



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- billing name,
- billing address,
- tax number.

2.5. *Written enquiries*

The Contracting Authority shall enable applicants having purchased the documentation to ask questions in writing.

Questions regarding the Documentation submitted by those having purchased the Documentation in writing up to the 10th day prior to the application deadline shall be replied to by the Contracting Authority within eight days so as to ensure that the applicant will have at least two days from the answer to the expiry of the application deadline. The Contracting Authority may summarise the questions and answer them collectively. Prior to the application deadline, the Contracting Authority shall send all written questions raised by the parties having purchased the Documentation, as well as all pertaining answers, to person or entity having purchased the Documentation, without specifying the name of the respective inquiring party.

Those entitled to it may submit their questions in writing to the postal addresses of 1015 Budapest, Ostrom u. 23-25. or 1376 Budapest, Pf. 997., via fax to (+36 1) 468 0682 or by email to 3500MHz@nmhh.hu.

The answers issued and distributed by the Contracting Authority only serve informational purposes and, contrary to the Documentation, have no legal effect or legal binding force with regard to individual administrative procedures or in terms of the regulatory decisions.

2.6. *Modification of the auction notice documents*

The Contracting Authority may modify the Notice and Documentation so as to ensure an objective, transparent and non-discriminatory procedure pursuant to Section 6 of the Decree on the rules of auction and tender.

The Notice and the Documentation may be amended up to the 8th (eighth) day preceding the application deadline. The Documentation may be amended in particular if any of its provisions are not in line with legislation or if the Contracting Authority perceives that the Documentation calls for specification or supplementation based on a written enquiry made pursuant to Section 2.5.

Amendments to the Notice shall be published by the Contracting Authority as per the rules on the publication of the Notice.

Amendments to the Documentation shall be published by the Contracting Authority by posting them to its notice-board or publishing them on its website, and parties having purchased the auction/tender documentation shall be notified by the Authority within two days of the publication of said amendment and the exact content thereof. The publication date shall be the date of publication of the amendment to the Documentation on the Contracting Authority's website.



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Modifications to the Notice and the Documentation shall enter into force upon their publication.

2.7. Hierarchy of the auction documents

The auction notice includes the Notice published on the auction procedure, this Documentation specifying the detailed conditions and provisions of the auction (along with its annexes) and any amendments to the Documentation or the Notice.

In the event of any discrepancy between the documents constituting the auction notice and other documents, the prevailing order among the documents shall be the following: amendment to the Documentation, this Documentation, amendment to the Notice and the Notice.

3. Detailed rules for the auction procedure

3.1 Fundamental principles of the auction procedure

When carrying out the auction procedure, the Contracting Authority shall proceed in line with the prevailing legislation – in particular the stipulations set out in the Electronic Communications Act, the Administrative Proceedings Act, the Decree on the rules of auction and tender —, and with this Documentation, taking into consideration the criteria of objectiveness, transparency, non-discrimination and proportionality. In order to fulfil the fundamental principles and the objectives defined in the Electronic Communications Act, the Administrative Proceedings Act, the Decree on the rules of auction and tender, the Contracting Authority shall proceed in line with the requirement of equal treatment.

The Contracting Authority shall also take into account the criterion of cost-effectiveness, conducting the auction procedure in a manner that allows its fastest conclusion, respecting the statutory deadlines and yielding a result.

Applicants/participants shall proceed in line with the principles of good faith and fairness in the auction procedure, and shall cooperate with the Contracting Authority for the sake of the fast and successful conclusion of the procedure. Applicants/participants shall not conduct themselves in a manner aimed at deceiving the Contracting Authority, shall not issue statements (including the Application) in the course of the auction procedure that contain fallacious (incorrect, false) facts and shall not conceal any data substantial from the perspective of the Auction in any of their statements (including the Application). Applicants/participants shall be liable for the adequacy, valid grounds, timeliness, credibility and truthfulness of the contents of their statements (including the Application) issued in the context of the auction procedure. In the event of the violation of the requirements pertaining to documents and statements defined under this Section, the Contracting Authority may enforce the legal consequences set out under Section 3.18.



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3.2 *Language of the procedure*

The official language of the auction procedure shall be Hungarian. The Auction and all communication between the applicants/participants and the Contracting Authority pertaining to the Auction shall be conducted in Hungarian. Any foreign language documents made available by the Contracting Authority are for information only.

If the applicant submits any document in a language other than Hungarian, a certified translation shall be appended. In the event of any dispute, the Hungarian version shall prevail.

If necessary, public documents issued outside Hungary or private documents certified by a foreign court of law, administrative authority, notary public or any other person bestowed with public trust shall be legalised.

Public documents issued outside Hungary, and private documents certified by a foreign court of law, administrative authority, notary public or any other person bestowed with public trust bear, under Hungarian law, evidentiary weight only if the Hungarian mission authority to the country of issuing the document furnished it with diplomatic legalisation, unless it follows differently from the law regulating the specific branch of cases, an international agreement or the practice of reciprocity.

If, due to an international agreement or the practice of reciprocity, having public documents issued abroad and private documents certified by a foreign court of law, administrative authority, notary public or any other person bestowed with public trust and submitted as part of its Application, furnished with diplomatic legalisation by the Hungarian mission authority to the country of issuance is not necessary, all documents affected shall be submitted with ample documented evidence separately confirming the legality of abolishing legalisation. The Contracting Authority may request further documents, certificates or declarations, rectification of deficiencies or issuance of declarations from the applicant/participant to evidence compliance with this section.

3.3 *Secrets protected under the law and protection of personal data*

During the auction procedure – in particular when allowing the inspection of the documents, the announcement of the decision and its publication – the Contracting Authority shall ensure the protection of the secrets and personal data defined under Section 172 I) of the Administrative Proceedings Act, protected on a statutory basis.

Pursuant to Section 33 (2) of the Electronic Communications Act, the applicant/participant and other participants involved in the proceedings may designate the range of data they deem necessary to be treated as restricted data, with due heed to the protection of the secrets protected under the law, in particular trade secrets or other equitable interests as well as any significant communications policy or communications market considerations, except data that is public for general public interests and data that may not be rated as restricted data under the law as defined in relevant legislation. In this case the



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applicant/participant shall also prepare a document version that does not contain the data defined above.
(In the event of an application: Section 3.11, Unclassified application for participation).

Any data, document, information or notification delivered to the Contracting Authority by the applicant/participant in the context of the auction procedure shall be deemed to be a trade secret if qualified as such by the applicant/participant in line with relevant legislation, in particular Section 33 (2) of the Electronic Communications Act. The Offer Sheet may not be qualified as secrets protected under the law or data deemed confidential. The Contracting Authority may publicly disclose this information to the extent required for conducting the auction procedure and meet legislative requirements. In submitting the Application, the applicant shall furnish a separate written declaration acknowledging, irrevocably and unreservedly, that, until the administrative procedure is substantially concluded, the applicant, in the course of viewing the documents, may not have access to the Offer of any other applicant/participant, or the notarised records of the opening and content of the Offer of any other applicant/participant.

The substantive decision concluding the auction procedure and any annexes thereto can be revealed and must be published by the Contracting Authority to the extent set out in the effective legislation. Qualification of any data as confidential by the applicant/participant will not restrict the Contracting Authority's ability to fulfil its public disclosure obligation pursuant to the relevant legislation, while providing adequate guarantees for the protection of data lawfully qualified to be confidential.

Applicants/participants acknowledge that the Contracting Authority shall treat the entirety of the Application submitted by them, the annexes and amendments thereto, the portions submitted in the context of rectifying deficiencies and the written questions and replies to requests for clarification submitted to the Contracting Authority in compliance with the Electronic Communications Act – in particular Sections 27 and 33 thereof —, and with the other relevant legislation governing the handling of data. Accordingly, the Contracting Authority, the Contracting Authority's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as other persons or bodies authorised by legislation may gain knowledge of data, information and documents protected under the law without the separate consent of the applicant/participant, in keeping with the rules governing the protection of trade secrets.

The Contracting Authority, the Contracting Authority's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as applicants/participants shall preserve secrets protected under the law and ensure that no unauthorised persons gain access to them. Data, information and documents containing secrets protected under the law shall be strictly used or made available to third parties by the Contracting Authority, the Contracting Authority's officers, employees, authorised parties, experts and organisations and persons acting on their behalf, as well as applicants/participants for the purpose of performing their obligations related to the Auction defined in legislation or in the Documentation, with due heed to the rules on the regularity of the Auction set out under this Section and Sections 3.1 and 3.5 of the Documentation.

Applicants/participants shall inform their employees, colleagues, authorised parties, performance assistants and all other cooperating entities involved in the Auction on the confidential nature and scope of the data, information and documents handled confidentially, and shall oblige them to adhere to their obligations regarding the protection of data. Applicants/participants shall be held liable for the conduct of their cooperating entities as if they were their own.



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At the Contracting Authority's separate request regarding the publicity of data of public interest, the applicant/participant shall clearly specify, supported by justification, which data among those protected under the law would entail disproportionate damage to the applicant/participant's business interests in the event of disclosure or publication.

3.4 Copyrights

Applicants/participants hereby acknowledge that the Contracting Authority shall acquire non-exclusive usage rights free of charge for the entire duration of the copyright period, for the complete Application submitted — including the information contained therein — whether in its entirety or in parts, as well as any other material, submission or question submitted in written or electronic form to the Contracting Authority in the context of this Auction (hereinafter, in this Section as: other submissions). This right – subject to the rules on the protection of secrets protected under the law and pertaining to data of public interest – extends to the use of the Applications and other submissions submitted by the applicant/participant related to this auction procedure, in particular their hard copy or electronic reproduction and their use in the work material prepared by the Contracting Authority on the Auction (including reworking and broadcasting to the public). The Contracting Authority shall be entitled to exercise such rights in an unrestricted manner via the intermediary of its authorised parties or experts, the bodies or persons acting on behalf thereof, and the persons or bodies authorised by virtue of legislation.

3.5 *The applicant's or participant's responsibility in respect of the Auction*

In the course of the Application process, the applicant shall issue a statement to the effect that it irrevocably and unconditionally acknowledges to be bound by the contents of the Documentation and the Notice, with no reservations or restrictions whatsoever.

The applicant shall be responsible for the inspection and interpretation of the Documentation, including the technical conditions and specifications specified in Annexes 1 and 2. The applicant/participant shall assume the risk of being denied registration in the auction register by the Contracting Authority or its Application or pertaining Offer being pronounced invalid in case of its failure to fulfil the formal or substantive requirements defined in the relevant legislation or the Documentation. The applicant shall be responsible for assessing the domestic electronic telecommunications market and the legislative environment governing electronic telecommunication activities and any related risks. The Contracting Authority assumes no responsibility for any disadvantage affecting the applicant/participant in connection with its failure to adequately assess the domestic electronic telecommunications market and the legislative environment governing electronic telecommunication activities during or following the Auction.

The applicant/participant shall bear all costs of preparing and submitting the Application. Reimbursement of the participation fee may only be possible in the cases defined in the Decree on the rules of auction and tender; in all other cases the applicant/participant may not reclaim its costs related to the Auction from the Contracting Authority, its authorised party, cooperating entity or any other state or public administrative body or authority on any grounds, irrespective of the Auction's outcome.



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Applicants/participants shall refrain from any conduct that may impact the outcome of the Auction in any form or unfairly influence the decision of another applicant/participant, thus, in particular, from any form of collusion and from making any declarations, statements, or implications – especially in public (through the press, electronic media, online websites or forums) – that apply to (a) the value of the entitlement to frequency use that can be obtained; (b) the conditions of participation in the Auction or the contents of the Application; (c) the business plans based on the obtained licences. If the above conduct is perpetrated by a person or an organisation other than the applicant/participant, the Contracting Authority shall assess the degree of responsibility borne by the affected applicant/participant for the statement or conduct, and may commence an investigation and request the submission of relevant data.

In the event of any doubt regarding the regularity of the Auction, the Contracting Authority may seek the opinion of the Hungarian Competition Authority (hereinafter as: Competition Authority), primarily to assess the restricting effect of such conduct on competition and to evaluate the social damage caused. The above shall not restrict the Competition Authority's competence to conduct competition surveillance procedures pursuant to relevant legislation, irrespective of the contents of the Documentation.

If (a) it has been established in a binding authority or court decision that the entitlement to frequency use at issue was obtained based on an unlawful agreement as per Section 11 of the Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (cartel agreement), or (b) it is established in a binding authority or court decision following the successful conclusion of the Auction that the participant had concluded a cartel agreement that also impacted its participation in this Auction, the Contracting Authority may revoke the entitlement to frequency uses affected by the cartel agreement. The entitled's entity entitlement to frequency use shall be automatically terminated with immediate effect upon the entry into force of the resolution declaring revocation with immediate effect and the date of enforcement of such resolution.

3.6 Auction committee

In the auction procedure, the Contracting Authority will not establish an auction committee as defined under Section 15 (1) of the Decree on the rules of auction and tender.

3.7 Compliance with the terms of auction

The applicant/participant shall comply with the conditions of participation and the formal and substantive validity requirements defined in the Documentation from the time of submission of its Application throughout the entire duration of the auction procedure.

If the applicant/participant fails to comply with any of the conditions of participation for any reason during the auction procedure, it shall immediately notify the Contracting Authority thereof.



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3.8 Method, place and time of submission of Applications

Only the applicant's authorised representative or agent may submit the Application. Natural persons and sole entrepreneurs may submit their own application.

The person submitting an Application shall identify themselves with a personal identification document, and persons planning to submit an Application on behalf of an economic operator (excluding natural persons and sole entrepreneurs) shall submit an original copy of the officially signed proxy letter authorising representation (for submitting an Application) to the contracting authority. The legal representative of the persons submitting the Application may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days old, an authority certificate or document officially corroborating the lawful representation right. If the representative is submitting an application on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for submitting an Application) to the contracting authority.

The application shall be submitted in one paper copy in a sealed package. If the Application contains data to be handled confidentially as per Section 3.3, the applicant must also submit, pursuant to Section 3.11 of the application for participation a version free of confidential information.

The Application must include all documents, statements, deeds and certificates specified under Section 3.12, as well as all substantive elements set out in the Documentation and in the Decree on the rules of auction and tender, in the required format and number of copies.

Applications of applicants can be submitted on 2 May 2016 between 1:00 pm and 4:00 pm at the following address of the Contracting Authority, taking into account the requirements for format and content specified in the Documentation:

Office of the National Media and Infocommunications Authority

Address: 1015 Budapest, Ostrom utca 23-25.

No more than two representatives or agents of the same applicant may be present when the Application is submitted. Each applicant may only be present at the submission of its own application.

One applicant may only submit one Application. If an applicant submits more than one Application, the contracting authority shall deem the Application submitted at the latest date to be the sole Application submitted.

When receiving an Application, the Contracting Authority shall inscribe the exact time and date of receipt on the sealed package and, if not visible on the package, the name of the applicant and the subject of the Auction ("3400-3800 MHz frekvenciasáv frekvenciahasználati jogosultságok" [Entitlement to frequency use for the 3400–3800 MHz frequency band]), simultaneously issuing an acknowledgement of receipt of the Application. The public notary present at the submission of the application will certify the circumstances of the submission and prepare a deed thereof.



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The Contracting Authority will inform the applicant about the date and time of the opening of the its offer as stipulated in Section 3.19.

3.9 Personal requirements (for participation)

3.9.1 No consortium may participate in the auction procedure.

3.9.2 The following economic operators may participate in the auction procedure:

- a) those complying with the conditions set out in Section 9 of the Decree on the rules of auction and tender;
- b) those that do not have customs duty or social security contribution payment debt overdue for more than 60 days or did not fail to fulfil their tax payment obligation registered by the central tax authority;
- c) those with no more than 30 days overdue frequency fee payment obligations towards the Contracting Authority (the contracting authority shall verify outstanding frequency fee payment obligations based on its own records; applicants are not required to provide a certificate thereof); and
- d) those having issued a separate written document in the course of Application, irrevocably and unconditionally acknowledging that the contents of the Documentation and the Notice are binding upon them, and
- e) whose activities have not been suspended;
- f) those (natural persons, sole entrepreneurs) who are (current or past) public officers, employees, consultants or proxies of the contracting authority having participating in drafting the Documentation, or are close relatives of such persons;
- g) those that have no owners holding a share of at least 25 (twenty-five) percent that are (current or past) public officers, employees, consultants or proxies of the contracting authority having participating in drafting the Documentation, or are close relatives of such persons;
- h) those that have no prior conviction for any of the following crimes:
 - ha) crimes against public justice as defined in title VII of Chapter XV, heading VI, or economic crime defined in Chapter XVII of Act IV of 1978 on the Penal Code effective on 30 June 2013,
 - hb) corruption as defined in Chapter XXVII of Act C of 2012 on the Criminal Code, crimes against the safety of payments and stamps as defined in Chapter XXXVIII, crimes incurring a loss to the budget as defined in Chapter XXXIX, money laundering as defined in Chapter XL, crimes violating financial management as defined in Chapter XLI, crimes affecting the protection of consumers and the fairness of competition as defined in Chapter XLII or crimes of illicit data acquisition or crimes against information systems as defined in Chapter XLIII of the Penal Code; or
- i) that have no person holding a business share of at least 25 (twenty-five) percent among their executive officers with prior conviction of any of the crimes listed



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under items ha) and hb) or is banned from employment in a manner prohibiting it from holding an executive office in the business organisation or company, or is not an organisation whose activity has been restricted by the court in a binding ruling pursuant to Sections 5 (1)–(2) of Act CIV of 2001 on Measures Applicable to Legal Entities under Criminal Law.

- 3.9.3 Persons not qualified as a transparent organisation pursuant to Section 3 (1) 1) of Act CXCVI on 2011 on National Assets (hereinafter: National Assets Act) are barred from participating in the Auction.
- 3.9.4 No modifications, changes or legal succession in the person of the applicant/participant affecting the formal validity of the Application shall be permitted during the auction procedure.
- 3.9.5 Only those persons are entitled to participate in the Auction who have acquired the Documentation as per Section 2.4 and paid the participation fee as per the Notice and Section 3.13 of this Documentation to the contracting authority.

3.10 Format validity requirements for and accessories of the Application

- 3.10.1 The Application shall include:
 - a) the documents specified in Sections 3.12 a)–g) and i)–j) (hereinafter: application for participation) and
 - b) the Offer (the Offer Sheet completed by the applicant and the performance security as per Section 3.15) placed in a sealed envelope.
- 3.10.2 The sealed envelope containing the Offer must be labelled as “Ajánlat” (Offer).
- 3.10.3 The Application shall not contain any inserts, deletions or over-written segments, except if the applicant carries out any corrections. In this case, corrections shall be clearly indicated and the signature of the applicant's representative affixed to them.
- 3.10.4 The Application shall be drawn up in Hungarian. For the rules on translation and certification, refer to Section 3.2 herein.
- 3.10.5 The declarations enclosed to the application for participation and the Offer Sheet must bear the authorised signature or signed by the applicant's representative. The declarations enclosed to the application for participation may be submitted jointly.

3.11 Unclassified application for participation

If the application for participation contains data to be handled confidentially as per Section 3.3, the applicant shall also submit simultaneously with its Application but in a separate, closed packaging, an unclassified application for participation free of confidential information.

As part of the unclassified application for participation, copies of the papers and documents submitted for the application for participation may also be submitted.

The applicant shall label the packaging of the unclassified application for participation as “titokmentes” (unclassified).



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The provisions of Section 3.8 of the Documentation shall apply to the submission and acceptance by the Contracting Authority of the unclassified application for participation.

In the event of any discrepancy between the unclassified and the classified copies of the application for participation, the version with confidential data shall prevail.

3.12 Documents to be submitted for Application

In order to apply for the Auction, Applicants shall submit the following deeds in accordance with the formal requirements set out under Section 3.10 above. The declarations may be submitted jointly.

- a) The applicant's statement on its clear intent to participate in the Auction also acknowledging that the contents of the Decree on the rules of auction and tender, the Documentation and the Notice are irrevocably binding upon it/them, with no legal reservations or restrictions.
- b) Any of the following documents suitable for identification of the applicant:
 - certificate of incorporation or certificate issued by a competent foreign authority not more than 30 days earlier showing the fact and date of registration, the amount of capital registered, the names of the company's owners and the names of the persons authorised to sign on behalf of the company;
 - in case of other organisations, a resolution, authority certificate or any other document officially certifying the registration and the articles of association consolidated with later amendments and effective at the launch of the auction procedure, or a copy thereof certified by a notary public, or another deed of foundation;
 - in case of natural persons, the certified copy of the administrative deed suitable for the identification of the applying natural person;
 - in case of sole traders, a proof of registration (the certified copy of their sole trader's licence or official document), and for single-member limited liability companies, the articles of association and a copy of the order of registration certified by a notary public.
- c) the documents certifying the ownership composition of the applicant (such as the deed of foundation, articles of association, bylaws, share ledger, certificate of incorporation or company certificate) and the documents, deeds or data needed for verification of the economic operators which hold a controlling share in the applicant's economic operators, those in which the applicant holds a controlling share, and those economic operators the applicant has a controlling relationship.
- d) Compliance with Section 3.9.3 can be certified by way of a declaration made by the applicant stating that it qualifies as a transparent organisation according Section 3 (1) 1) of the National Assets Act. Should any suspicion of doubt concerning the statements on compliance with Section 3.9.3 arise, the contracting authority may request further documents, certificates or declarations, rectification of deficiencies or issuance of declarations from the applicant to evidence compliance with Section 3.9.3.
- e) A document showing the data of the persons authorised for full representation of the applicant in the auction procedure as per Section 1.3, and the document certifying the representation right — if such cannot be obtained from certified public records —, as well as the details of the contact person as per Section 1.3. When designating an agent for service of process, the applicant shall also enclose the pertaining authorisation.
- f) the declarations specified in Section 3.9.2 pertaining to the applicant as well as the certificates and documents corroborating the conditions of participation set out in Section 3.9.2 and no more than 30 (thirty) days old:

- fa) a certificate by the competent tax authority of compliance with the provisions set forth in Section 3.9.2 b) or reference to being listed in the database of taxpayers with no public debt. (In case of non-Hungarian citizens or non-resident legal entities or other unincorporated entities, or a legally competent organisation in its own right, a certificate issued by the competent tax authority of the country of establishment on the satisfaction of the condition defined in Section 3.9.2. b). If the competent authority does not issue certificates on the fulfilment of the conditions defined in Section 3.9.2. b), then a declaration by the applicant, certified by a notary-public on the fulfilment of the condition). Such certificates or declarations shall be legalised as per Section 3.2 herein unless the applicant provides ample evidence in accordance with Section 3.2 that legalisation is not necessary;
- fb) a certificate on the absence of any bankruptcy, liquidation or winding-up proceedings against, or any procedures aimed at the termination of the applicant or a declaration that the applicant has not made any resolution regarding liquidation or winding-up proceedings, and is not under any proceeding aimed at terminating the organisation. (In the case of non-Hungarian applicants or non-resident legal entities, other unincorporated entities or any legally competent organisation in its own right, a certificate of, a certificate issued by the competent authorities of the country of establishment that the applicant is not under any bankruptcy, liquidation or winding-up procedure. If the competent authority does not issue the type of certificates defined in this section, then a declaration by the applicant, certified by a notary-public on the fulfilment of the condition. Such certificates and/or declarations shall be legalised as per Section 3.2 herein unless the applicant provides ample evidence in accordance with Section 3.2 that legalisation is not necessary;
- fc) If the applicant is a natural person, a declaration stating that the conditions barring participation set out in Section 3.9.2. f) and Section 3.9.2. h) do not apply to it.
- fd) If the applicant is not a natural person, a declaration stating that the conditions barring participation set out in Section 3.9.2. e), g) and i) do not apply to it.
- g) As part of the application for participation, the procedural security as per the requirements in Section 3.14.
- h) As part of the Offer, the Offer Sheet and the performance security as per the requirements of Section 3.15.
- i) the applicant's written declaration acknowledging, irrevocably and unreservedly, that, until the administrative procedure is substantially concluded, the applicant, in the course of viewing the documents, may not have access to the Offer of any other applicant/participant, or the notarised records of the opening and content of the Offer of any other applicant/participant.
- j) Furthermore, all documents and statements that are compulsory pursuant to the provisions of the Documentation and the Decree on the rules of auction and tender, or that confirm any of the circumstances requiring certification.

3.13 The participation fee and conditions of payment

Applicants to the auction procedure shall pay, via an irrevocable transfer, a participation fee of **HUF 10,000,000 + 27% VAT, that is a total of HUF 12,700,000 (twelve million seven hundred thousand forints)** to the Contracting Authority's account number 10032000-00300939-00000017 held at the Hungarian State Treasury. Specifying "Participation fee for the 3400–3800 MHz frequency band" in the transfer's comment section.

The participation fee will be refunded by the Contracting Authority to participants in the case specified in Section 7 (3) of the Decree on the rules of auction and tender.



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3.14 Procedural security

The applicant shall submit, as part of its Application, a security of HUF 10,000,000 that is ten million Hungarian forints issued in favour of the Contracting Authority, in line with the relevant provision of the Decree on the rules of auction and tender and this Section for guaranteeing the performance of its obligations defined in this Documentation, irrevocable or only revocable subject to the Contracting Authority's authorisation and in the form of a procedural guarantee by a credit institution (hereinafter: bank guarantee) or security bond.

The procedural security may be submitted as a single security covering the entire amount or in the form of several securities adding up to the total amount.

The full amount of the procedural security may be enforced, or fully or proportionately enforced immediately when the applicant/participant breaches any of the rules and procedural law obligations set out under Section 3.18 and fails to pay the procedural fine levied against it by the contracting authority on time.

The issuer of the procedural security shall notify the contracting authority in writing of any changes in the data included in the security, within two (2) business days of the occurrence of such change.

In the event of full or partial enforcement of the procedural security, the applicant/participant shall renew the procedure related security for the entire amount with the original conditions set out under Sections 3.14.1 and 3.14.2 and submit the renewed procedural security certificate to the Authority within 5 (five) days.

The procedural security shall be valid until **30 July 2016**.

The applicant/participant shall submit a new or extended procedural security at the Contracting Entity's warranted request for the period ending **7 November 2016**, but at most until the 60th day following the substantive decision concluding the tender procedure, in line with the terms stated in the request and within ten (10) days of receipt of the request.

If a judicial review of the binding decision concluding the auction procedure was initiated, the participant shall extend the procedural security for the term of the judicial review or the period of the potential repeated procedure, at the Contracting Authority's request within 10 (ten) days of receipt of the request until the date specified therein, submitting the extended security to the Contracting Authority.



3.14.1 *Security bond*

Security bonds in compliance with the following criteria may be accepted as procedural security:

- A) pursuant to the provisions herein, the security bond has been placed in the custody of a depositary attorney, who undertakes an obligation in the escrow agreement to unconditionally perform the bond – in line with the rules governing bank turnover, but within 3 (three) banking days at the latest – based on the contracting authority’s request and without assessing the underlying legal relationship, up to the balance of the procedural security available to the depositary attorney, the amount specified in the claim report to the Contracting Authority,
- B) the bond names the Contracting Authority as the sole beneficiary, and
- C) the guarantee is irrevocable or can only be revoked with the authorisation of the contracting authority.

The depositary attorney concluding the escrow agreement shall not be involved in a procedure aimed at terminating its Bar Association membership as per Section 12/A (1) a) of Act XI of 1998 on Attorneys (hereinafter: Act on Attorneys), and its activities may not be suspended as defined in Section 12/A (1) c) of the Act on Attorneys.

Over and above items A)-C), the security bond shall also state:

- a) the personal identification data and contact details (telephone and fax number, e-mail, mailing address in Hungary) of the depositary attorney concluding the escrow agreement with the applicant;
- b) the name, address, current account number and tax number of the depositor;
- c) the amount of the security bond, expressed in numbers and written as text;
- d) the start and end date of the security bond’s validity period;
- e) an irrevocable obligation according to which the issuer of the security shall disburse the amount drawn down by the contracting authority in line with the regulations on bank payments, but no later than within three (3) banking days via domestic wire transfer to the contracting authority in the event of the full or partial enforcement of the security and
- f) The Contracting Authority’s request sent to the custodian attorney shall qualify as a declaration as per Article 5:138 of the Civil Code.

3.14.2 *Bank guarantee*

Bank guarantees in compliance with the following criteria may be accepted as security:

- A) an original bank guarantee and a declaration in which the issuing credit institution undertakes an obligation to perform the guarantee upon the contracting authority’s request, without inspecting the underlying legal relationship, in line with the rules governing bank turnover but at least within 3 (three) banking days at the latest;
- B) the Contracting Authority is listed as the sole beneficiary of the bank guarantee,
- C) the guarantee is irrevocable or can only be revoked with the authorisation of the contracting authority.

The credit institution issuing the security must be authorised to provide financial services in Hungary. Bank guarantees cannot be accepted if extraordinary measures as per Article 189 of Act CCXXXVII of 2013 on



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Credit Institutions and Financial Enterprises or the legislative provisions replacing it have been instituted against the credit institution providing the bank guarantee within one year preceding the commencement of the auction procedure. If extraordinary measures are instituted against the credit institution during the term of the auction procedure, the applicant/participant, shall, if called upon by the Contracting Authority, furnish sufficient procedural security as per the Documentation.

The bank guarantee shall include

- a) the name and bank account number of the credit institution providing it;
- b) the name, address, current account number and tax number of the principle;
- c) the amount of the guarantee, expressed in numbers and written as text;
- d) the start and end date of the guarantee's validity period;
- e) an irrevocable obligation according to which the issuer of the security shall disburse the amount drawn down by the contracting authority within three (3) banking days via domestic wire transfer to the contracting authority in the event of the full or partial enforcement of the security
- f) a declaration by the credit institution providing the bank guarantee stating that the provisions of Article 6:436 of the Civil Code shall not apply.

3.15 Performance security

The applicant shall submit a security issued, with the contracting authority as its beneficiary, in the form of a guarantee by a credit institution at least equalling or exceeding the total value of the bids listed on the Offer Sheet submitted as a part of the Offer, in line with the relevant provision of the Decree on the rules of auction and tender and this Section, irrevocable or only revocable subject to the Contracting Authority's authorisation.

If the participant makes a counteroffer as per the rules of the Documentation, no new performance security corresponding to the amount of the counteroffer is required.

Bank guarantees in compliance with Sections 3.14.2. A)–C) may be accepted as security.

The credit institution issuing the security must be authorised to provide financial services in Hungary. Bank guarantees cannot be accepted if extraordinary measures as per Article 189 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises or the legislative provisions replacing it have been instituted against the credit institution providing the bank guarantee within one year preceding the commencement of the auction procedure. If extraordinary measures are instituted against the credit institution prior to the payment of the total auction price, the applicant/participant, shall, if called upon by the Contracting Authority, furnish sufficient performance security as per the Documentation.

The bank guarantee shall include the items as per Sections 3.14.2 a)–f).

The performance security may be submitted as a single bond covering the entire amount or in the form of several bonds adding up to the total amount.

The performance security shall be valid until **30 July 2016**.



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The applicant or participant shall submit a new or extended performance security at the Contracting Authority's warranted request for a specific period determined by the Contracting Authority but no later than for the period ending on **7 November 2016** in line with the terms stated in the request and within ten (10) days of receipt of the request.

If a judicial review of the binding decision concluding the auction procedure was initiated, the participants shall extend the performance security for the term of the judicial review or the period of the potential repeated procedure, at the Contracting Authority's request within 10 (ten) days of receipt of the request until the date specified therein, submitting the extended security to the Contracting Authority.

The issuer of the bond undertakes to notify the contracting authority of any changes in the data included in the bond in writing within two (2) business days of the occurrence of such change.

The full as well as the proportional amount of the bond may be immediately drawn in the winner of the auction procedure fails or only partially performs its obligation to pay the full auction price.

3.16 Substantive elements of the Offer

The applicant may submit an offer within the 3400–3600 MHz and the 3600–3800 MHz frequency band by submitting a Offer Sheet that includes its bids for the specific basic blocks.

The applicant may not specify any conditions or limitations applicable to the offer.

The performance security provided with the Offer shall comply with the validity criteria as specified in Section 3.15.

A single applicant or applicants in a single group of owners may submit their bids for more than 100 MHz in the 3400-3600 MHz and 3600-3800 MHz frequency bands; however, offers must be made in being aware that

- any valid bid/bids over the 100 MHz limit by a single participant or participants in a single group of owners, due to the limitation specified in Section 2.2.2 and based on the assessment in Section 4.1 may not result in a win; and
- the Contracting Authority first performs the assessment of the valid bids for the 3400–3600 MHz basic blocks as per Section 4.1.1, and then those for the 3600–3800 MHz basic blocks as per Section 4.1.2.

3.17 Rules for modifying or withdrawing the Application

- 3.17.1 The applicant/participant may not modify or withdraw its application for participation. Submittal of any paper, data or document in response to the Contracting Authority's call for rectification does not qualify as a modification of the application for participation. If the applicant/participant submits any submission, paper or other document, not including any paper submitted in response for a call for rectification, to the Contracting Authority, the Contracting Authority will disregard the content of such submission, paper or other document and will consider the content of the original application for participation as authoritative.

- 3.17.2 The applicant/participant may not modify or, with the exception of the case described herein, withdraw its Offer or a part of it (bid for any basic block). The participant may withdraw its Offer in whole or in part within 5 days following the registration of the offer as per Section 3.22.
- 3.17.3 The behaviour of any applicant/participant violating any rules stipulated in Sections 3.17.1–3.17.2 does not result in the termination of any other applicant/participant's binding obligations towards the Application.

3.18 Legal consequences applicable in the event of infringing conduct by the applicant/participant

The applicant/participant shall comply with the rules of procedure and provisions on order of procedure set out in the Documentation and in legislation, in particular in the Decree on the rules of auction and tender (hereinafter, in this Section, as: procedural law obligations).

If the Contracting Authority detects any violation of procedural law obligations, if the applicant violates the provisions in Section 3.17 by withdrawing its Application, its Offer or part of it past the deadline stipulated in Section 3.17.2, in its ruling the Contracting Authority may impose a procedural fine set out under Section 38 of the Electronic Communications Act and, in the event of non-payment of said fine, may enforce, in part or in full, the procedural security.

The levying of a procedural fine or the enforcement of the procedural security shall not affect the contracting authority's right to seek other legal remedies.

Besides imposing the procedural fine set out under Section 38 of the Electronic Communications Act, the Contracting Authority shall apply the legal consequences of formal invalidity (that is the Application is deemed invalid in terms of format under Section 3.21) if:

- a) it is established in a binding court judgement – or such judgement is not excluded by the lack of substantiation —, that the criminal conduct by the applicant/participant or its officer, employee, worker, agent or expert has misled the Contracting Authority and such conduct has, in the opinion of the Contracting Authority, affected the outcome of the auction procedure in earnest or has the potential to do so, or
- b) it is established in a binding administrative decision that the applicant/participant has misled the Contracting Authority and such conduct has affected the outcome of the auction procedure in earnest or has the potential to do so.

Besides imposing the procedural fine set out under Article 38 of the Electronic Communications Act, the Contracting Authority may apply the legal consequences of formal invalidity if the applicant/participant violates any of the following requirements and principles incorporated in Section 3.1:

- a) the applicant/participant shall not conduct themselves in a manner aimed at deceiving the Contracting Authority;
- b) the applicant/participant shall not issue statements or documents (including the Application) that state fallacious (incorrect, false) facts and shall not conceal any data substantial from the perspective of the Auction in any of their statements or documents (including the Application).



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If the breach of obligations under procedural law entails, in addition to the legal consequences defined under this Section, a fine or liability under administrative or criminal law, or an indemnification liability set out under public administration substantive legislation, the legal consequences applied pursuant to the Documentation or the provisions of the Decree on the rules of auction and tender will not exempt from other legal consequences arising out of the applicant's/participant's behaviour.

3.19 Opening of Applications

The Applications are opened at the time and on the day communicated by the Contracting Authority at the time the Application was submitted.

Location:

Office of the National Media and Infocommunications Authority

1015 Budapest, Ostrom utca 23-25.

No more than four representatives of the same applicant may be present when the Application is opened. Each applicant may only be present at the opening of its own application.

The persons present at the opening of the Application shall provide proof of identification with suitable documents. Persons planning to take part at the opening of Application on behalf of an economic operator (excluding natural persons and sole entrepreneurs) shall submit to the Contracting Authority an original copy of the officially signed proxy letter authorising representation (for participating at the opening of Applications). The applicant's legal representative may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days old, an authority certificate or document officially corroborating the lawful representation right. If the person purchasing the Documentation is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for purchasing the Documentation) to the Contracting Authority.

Applications shall be opened by the Contracting Authority in the presence of a notary public.

Upon the opening process, the Contracting Authority only opens the application for participation but not the Offer.

The Contracting Authority stamps increasing serial numbers on the pages of the application for participation. Any page numbering on the documents, deeds or declarations shall not affect the obligation of the Contracting Authority to stamp page numbers. The Contracting Authority prepares an electronic copy of each page of the application for participation in three copies to a durable media, on which the notary public records, the name of the applicant, the subject of the application, the place and date when the copy was made and the serial number. The applicant, the Contracting Authority and the notary public each receive one electronic copy.

The public notary ensures the inseparability of the application for participation and the Offer placed in a sealed envelope.



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In the event the applicant also submitted an unclassified application for participation, the Contracting Authority stamps increasing serial numbers on the , prepares an electronic copy of each page of the application for participation in three copies to a durable media, on which the notary public records, the name of the applicant, the subject of the application, the place and date when the copy was made and the serial number. The public notary certifies that the unclassified offer cannot be opened without causing any visible damage. The applicant, the Contracting Authority and the notary public each receive one electronic copy.

At the opening, neither formal nor substantive validity will be examined by the Contracting Authority.

The Contracting Authority hands over the first copies of the electronic versions of the application for participation, and if submitted, the application for unclassified participation, prepared during the opening procedure to the applicant's representative in the presence of the public notary on site.

The Contracting Authority shall send a copy of the notarised records of the opening of the Application to the applicant submitting the specific Application.

3.20 Examination and validity of Applications

The contracting authority shall examine within 15 days of the expiry of the deadline whether the Application complies with the (personal) conditions of participation, and the requirements for format set out in Section 9 of the Decree on the rules of auction and tender and in the Documentation, and if the applicant, based on the documents submitted, complies with the requirements for personality (participation), format and other procedural conditions and requirements (hereinafter jointly as: conditions of formal validity).

After being entered in the auction registration, the Contracting Authority opens the Offer in the sealed envelope and checks if the Offer complies with the validity requirements listed in the Documentation.

When assessing substantive validity, the Contracting Authority shall check whether the Offer Sheet and the performance security comply with the substantive conditions set out in the Decree on the rules of auction and tender and in the Documentation (substantive validity conditions).

3.21 Formal invalidity

When assessing formal validity, the contracting authority shall examine whether the Application meets the (personal) conditions of participation as defined in the Documentation, whether it complies with the requirements for format and accessories as set forth in Section 3.10 and contains the documents and statements listed under Section 3.12, and whether the method and form of its submission complies with the conditions for formal validity set out in this Documentation.

Applications shall furthermore be formally invalid if

- a) the participation fee was not paid on time;
- b) not submitted at the deadline, place, in the form and manner defined in the Notice or the Documentation;



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- c) the document, declaration or deed submitted as part of the application for participation does not meet the requirements for format or feature the accessories defined in Section 1.3 or Section 3.10 of the Documentation;
- d) the applicant or participant shall comply with the (personal) conditions of participation and conflict of interest defined in Section 3.9 of the Documentation from the time of submission of its Application throughout the entire duration of the auction procedure;
- e) the applicant (participant) failed to submit all documents, deeds or declarations prescribed by the Documentation and the Decree on the rules of auction and tender, or did not submit them in the manner defined therein; or the applicant has imposed conditions or limitations contrary to the Documentation in the documents submitted as part of its Application, with the exception of its Offer; or
- f) in further cases defined in the Documentation where the Documentation stipulates the application of the legal consequences of formal invalidity.

If the Application does not comply with the formal validity conditions, the Contracting Authority shall issue a call for rectification of deficiencies pursuant to Section 3.24. Remedying deficiencies pertaining to the requirements of formal validity shall only be permitted for items under subsections c) and e).

If the Application does not meet formal validity criteria or still does not meet the conditions of formal validity following the rectification of deficiencies performed according to the Documentation, i.e. the Application remains formally invalid, the Contracting Authority shall deny registration of the applicant in the auction register.

If the Contracting Authority perceives such grounds for formal invalidity only following registration in the auction register or the cause for formal invalidity comes into being only after such registration and the Application remains invalid after rectification permissible according to the Documentation in specific circumstances, the Contracting Authority shall not establish formal invalidity in a separate order, declaring the Application's invalidity in a substantive resolution concluding the procedure.

3.22 Registration as participant

The Contracting Authority shall register formally valid Applications in the auction register.

The Contracting Authority shall notify registered applicants of their registration in the auction register and shall publish the list of applicants registered as participants on its website on the day they are registered. Among the data listed in the auction register, the name and data allowing their identification shall be public.

3.23 Substantive invalidity

The Contracting Authority shall assess the Offers submitted by applicants verifying that they are in line with the relevant considerations set out in Section 3.16 of the Documentation, that the terms or limitations set by the applicants do not contradict the provisions of the Documentation, and that they have been submitted in accordance with the substantive requirements stipulated in the Documentation and in the Decree on the rules of auction and tender.

If the performance security submitted as part of the Offer is found deficient, the contracting authority shall request the participant to rectify such deficiencies as per Section 3.24. No rectification of deficiencies is permitted with regards to substantive conditions and substantive validity.

If the performance security still does not meet the conditions of substantive validity following the rectification of deficiencies performed according to the Documentation, the Contracting Authority shall state the substantive invalidity in its decision concluding the auction procedure.

A Offer shall be considered substantively invalid if

- a) the applicant did not submit its bids on the Offer Sheet;
- b) the applicant failed to place the authorised signature on the Offer Sheet or its representative failed to sign it;
- c) the applicant/participant withdraws its Offer (or all bids made on the Offer Sheet);
- d) based on Section 3.25 all bids submitted by the applicant qualify as invalid, or
- e) the performance security does not meet the validity requirements as per Section 3.15 even after the rectification of deficiencies performed according to the Documentation;

The Contracting Authority shall state the substantive invalidity in its decision concluding the auction procedure.

3.24 Rectification of deficiencies

If the Documentation allows for the rectification of deficiencies for the validity criterion, the contracting authority shall issue a request for the rectification of deficiencies to the applicant/participant, setting a 5 (five)-day deadline. The Contracting Authority may set a deadline for rectification longer than 5 (five) days — but no more that fifteen (15) days pursuant to Section 10 (5) of the Decree on the rules of auction and tender — if the five-day period is evidently insufficient for acquiring the data, certificate or declaration or due to reasons of scope.

If the applicant/participant rectifies the deficiency and supplements missing items within the deadline specified in the call, the Application shall be considered as having been originally correct and complete. The deadline defined for performance shall lose effect; after expiry of the deadline, no request for certification may be submitted.



3.25 Validity of the bid

The bid submitted for the basic block shall be at least equal to the reserve price specified in Section 2.2.1 and shall comply with the following terms on numbering.

- A) The bid shall be a positive integer.
- B) The last 3 (three) digits of the bid may not be 3 (three) consecutive numerals in increasing or decreasing order.
- C) The last 3 (three) digits of the bid may not be 3 (three) identical numerals.
- D) Within either the 3400–3600 MHz or the 3600–3800 MHz frequency band listed on the Offer Sheet, none of the bid amounts made by the applicant may be identical with the amount made by the applicant for any other bid within the same frequency band.

An applicant may not submit more than one bid for a single basic block. If the applicant makes more than one bid for a single basic block, the Contracting Authority will consider the bid with the highest amount as the single bid made for the specific basic block.

Unless this section otherwise stipulates, a bid is invalid for a basic block,

- a) if withdrawn by the applicant/participant;
- b) if fails to meet the reserve price determined in section 2.2.1 or fails to meet the numbering conditions stipulated in this section or
- c) in other cases stipulated herein.

If the amount of the bid for any basic block is the same as the bid amount for one or more basic blocks of the same frequency band, the Contracting Authority shall consider only one of the bids valid and deem the rest invalid.

If the applicant bids for more than 6 (six) basic blocks in the 3400–3600 MHz frequency band, all bids ranked 7th (seventh) and over according to Section 4.1.1.2 will be considered invalid.

If the applicant bids for more than 20 (twenty) basic blocks in the 3600–3800 MHz frequency band, all bids ranked 21st (twenty-first) and over according to Section 4.1.2.2 will be considered invalid.

All bids made by the applicant in the 3400–3600 MHz frequency band will be considered invalid if the applicant bids for fewer than 4 (four) FDD basic blocks.

All bids made by the applicant in the 3600–3800 MHz frequency band will be considered invalid if the applicant bids for fewer than 4 (four) TDD basic blocks.

The Contracting Authority will disregard all invalid bids in its assessment as per Section 4.1.

For the purpose of compliance with the provisions herein, a Guide is included in the Appendix to the Documentation.

4. Order for implementing the auction phase

4.1. *Assessment of bids*

The Contracting Authority first performs the assessment of the valid bids for the 3400–3600 MHz frequency band as per Section 4.1.1, and then those for the 3600–3800 MHz frequency band as per Section 4.1.2. In its assessment of the bids made for the 3600–3800 MHz frequency band, the Contracting Authority also takes into account the result in the 3400–3600 MHz frequency band, i.e. the Contracting Authority will disregard those bids for the 3600–3800 MHz basic blocks as per Section 4.1.2.2 where the participants within a single group of owners would win more than the 100 MHz permitted under the rules limiting the acquisition of entitlement to frequency use.

4.1.1 *Assessment of bids – 3400–3600 MHz frequency band*

4.1.1.1 **Ranking bids by participants**

The Contracting Authority rank valid bids, regardless of the ranking numbers of the basic blocks on the Offer Sheet the participants made their bids, by participants and the bid amount to determine the arithmetic average of the 4 (four) bids with the highest amount rounded to the next integer. The Contracting Authority will from then on consider this average price offered by each participant as the bid made for the basic blocks ranked as 1–4 Offer Sheet.

4.1.1.2 **Ranking of bids**

The Contracting Authority once again ranks the bids made and calculated based on Section 4.1.1.1 in order and establishes the ranking positions of all the bids of the participants. With the exception of cases stipulated in Section 4.1.1.3 and 4.1.1.7, the Contracting Authority, also considering the rules limiting the acquisition of entitlement to frequency use in Section 2.2.2, in its resolution closing the auction procedure lists the winners with the highest bids for each of the 16 (sixteen) FDD basic blocks in the 3400–3600 MHz frequency band.

4.1.1.3 **Ranking of bids, in the event more than 6 (six) basic blocks are won by bids made by participants in a single group of owners.**

If more than 6 (six) basic blocks are won by bids made by participants in a single group of owners in the assessment process based on Section 4.1.1.2, the Contracting Authority, considering the minimum acquisition rule in Section 2.2.2, may only establish one participant from participants in a single group of owners as the winner. During the assessment procedure, the Contracting Authority takes into account only the valid bids of the participant who has the highest calculated average price as per the ranking in Section 4.1.1.1, and the bids made by the other participants in a single group of owners are cancelled.

The Contracting Authority always replaces the cancelled bid in the ranking with the next highest valid bids made by the other participants, and declares the ranking of the bids and the winning bids based on this modified ranking list.



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If the bids with the same amount result in a tie and the Contracting Authority cannot determine in the case of participants in a single group of owners when also considering the rules on minimum acquisition in Section 2.2.2 as to which valid bids win in no more than 6 (six) basic blocks, the Contracting Authority issues a call for counteroffers to participants in a single group of owners as per Section 4.1.1.4.

4.1.1.4 Call for counteroffers in the case of bids made by participants in a single group of owners

The Contracting Authority may issue no more than 1 (one) call for counteroffers to participants in a single group of owners.

Participants in a single group of owners shall have 3 (three) days from the receipt of the Contracting Authority's call to make their counteroffers for the basic blocks affected by the tie. The deadline defined for placing the counteroffer is peremptory; after expiry of the deadline, no extension is possible.

In its call for counteroffers, the Contracting Authority shall inform the participants in a single group of owners about the following:

- the number of basic blocks affected by the tie, and
- the amount of the bid affected by the tie, and
- the number participants in a single group of owners in the tie.

A counteroffer may be made by submitting to the Contracting Authority the counteroffer sheet (hereinafter: Counteroffer Sheet) attached to the call for counteroffers under the condition that the Counteroffer Sheet may exclusively be used to make new bids only for the basic blocks affected by the tie. In the event of a counteroffer, the amount of the bid listed on the Counteroffer Sheet shall exceed the amount of the bid made on the Offer Sheet; in addition, the participant shall comply with the numbering requirements specified in Section 3.25 when making the new bids. The rules for completing the Offer Sheet shall also apply to the Counteroffer Sheet with the differences outlined in the Documentation. No new performance security adjusted to the amount of the bids made on the Counteroffer Sheet of the counteroffer is required when making the counteroffer.

If any of the bids made during the counteroffer is deemed invalid under Section 3.25 or fails to comply with the conditions for substantive validity, it does not invalidate the original bid, nor does it result in the substantive invalidity of the Offer. In this case, the Contracting Authority disregards the invalid bid(s) made by the participant during the counteroffer and will only assess the participant's original bid. If the participant fails to comply with the Contracting Authority's call for counteroffer by the deadline specified herein, the Contracting Authority will only assess the original bid of the participant.

The Contracting Authority shall repeatedly assess the Counteroffer Sheets submitted in response to the call for counteroffers as per Section 4.1.1.2 provided that the outcome of the assessment may only change the ranking of the bids submitted for the basic blocks affected by the call for counteroffers. If the counteroffer also involves the acquisition of entitlement to frequency use for the 4 (four) basic blocks designated as the minimum acquisition limit, the Contracting Authority, before the assessment in Section 4.1.1.2 shall average the bids as per Section 4.1.1.1.



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If the outcome of the assessment as per Section 4.1.1.2 following the counteroffers still results in a tie so that the Contracting Authority cannot determine, while also considering the rules for minimum acquisition as per Section 2.2.2, the winning bids for the maximum 6 (six) FDD basic blocks for the specific participants, the Contracting Authority will determine the ranking of the bids in tie by a draw of lots as specified in Section 4.1.1.5.

4.1.1.5 Draw of lots for bids by participants in a single group of owners

In the case specified in Section 4.1.1.4, the Contracting Authority determines which bids to cancel by way of a draw of lots among the participants in a single group of owners. Should a draw of lots become necessary, the Contracting Authority shall notify the affected applicants at least five (5) days in advance.

Representatives of participants (up to four people per applicant) may be present at the draw. Attendees shall provide proof of identification, and those representing an economic operator (excluding natural persons and sole entrepreneurs) shall submit an original copy of the officially signed proxy letter authorising representation (for participating at the draw) to the Contracting Authority. The legal representative of the participant may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

If the person intending to attend the draw is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for attending the draw) to the contracting authority.

4.1.1.6 General call for counteroffer

After concluding the procedure as stipulated in Sections 4.1.1.3–4.1.1.5 or, if taking the steps specified in Sections 4.1.1.3–4.1.1.5 is not necessary then after concluding the assessment in Section 4.1.1.2, the Contracting Authority calls the participants to submit their counteroffers if the number of valid bids exceeds the number of available basic blocks (participants must submit valid bids for a minimum of 17 (seventeen) basic blocks), and the assessment of the bids as per Section 4.1.1.2 concludes that the bids of the same amount result in a tie where the Contracting Authority cannot determine the winner for all FDD basic blocks.

The Contracting Authority sends no more than 1 (one) counteroffer, and exclusively for the basic blocks affected by the tie, and only to those participants who can potentially acquire, with the basic blocks affected by the tie combined, entitlement for the 4 (four) basic blocks specified as the minimum acquisition limit as per Section 2.2.2 of the Documentation.

Participants shall have 3 (three) days from the receipt of the Contracting Authority's call to make their counteroffers for the basic blocks affected by the tie. The deadline defined for placing the counteroffer is peremptory; after expiry of the deadline, no extension is possible.

In its call for counteroffers, the Contracting Authority shall inform the participants about the following:

- the number of basic blocks affected by the tie, and



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- the amount of the bid affected by the tie, and
- the number of participants affected by the tie.

A counteroffer may be made by submitting to the Contracting Authority the Counteroffer Sheet attached to the call for counteroffers under the condition that the Counteroffer Sheet may exclusively be used to make new bids only for the basic blocks affected by the tie. In the event of a counteroffer, the amount of the bid listed on the Counteroffer Sheet shall exceed the amount of the bid made on the Offer Sheet; in addition, the participant shall comply with the numbering requirements specified in Section 3.25 when making the new bids. The rules for the completion of the Offer Sheet shall also apply to the Counteroffer Sheet with the differences outlined in the Documentation. No new performance security adjusted to the amount of the bids made on the Counteroffer Sheet is required when making the counteroffer.

If any of the bids made during the counteroffer is deemed invalid under Section 3.25 or fails to comply with the conditions for substantive validity, it does not invalidate the original bid, nor does it result in the substantive invalidity of the Offer. In this case, the Contracting Authority disregards the invalid bid(s) made by the participant on the Counteroffer Sheet and will only assess the participant's original bid. If the participant fails to comply with the Contracting Authority's call for counteroffer by the deadline specified herein, the Contracting Authority will only assess the original bid of the participant.

The Contracting Authority shall assess the Counteroffer Sheets submitted in response to the call for counteroffers as per Section 4.1.1.2 provided that it may only change the ranking of the bids submitted for the basic blocks affected by the call for counteroffers.

If the counteroffer also involves the acquisition of entitlement for the 4 (four) basic blocks designated as the minimum acquisition limit, the Contracting Authority, before the assessment in Section 4.1.1.2 shall average the bids as per Section 4.1.1.1.

If the outcome of the assessment as per Section 4.1.1.2 following the counteroffers still results in a tie so that the Contracting Authority cannot determine, while also considering the rules for minimum acquisition as per Section 2.2.2, the winning bids for the maximum 6 (six) FDD basic blocks for the specific participants, the Contracting Authority will determine the ranking of the bids in tie by a draw of lots as specified in Section 4.1.1.7.

4.1.1.7 Declaring the winner in the 3400–3600 MHz frequency band by way of drawing of lots

If there is a tie among the affected basic blocks even after concluding the procedure specified in Section 4.1.1.6, the Contracting Authority determines the winner by way of drawing of lots in the presence of a notary public. Should a draw of lots become necessary, the contracting authority shall notify the affected applicants at least five (5) days in advance.

Representatives of participants (up to four people per applicant) may be present at the draw. Attendees shall provide proof of identification, and those representing an economic operator (excluding natural persons and sole entrepreneurs) shall submit an original copy of the officially signed proxy letter authorising representation (for participating at the draw) to the Contracting Authority. The legal representative of the participant may certify its representation rights with a certificate of incorporation no



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older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

If the person intending to attend the draw is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for attending the draw) to the contracting authority.

4.1.2 Assessment of bids – 3600–3800 MHz frequency band

4.1.2.1 Ranking bids by participants

The Contracting Authority rank valid bids, regardless of the ranking numbers of the TDD basic blocks on the Offer Sheet the participants made their bids, by participants and the bid amount to determine the arithmetic average of the 4 (four) bids with the highest amount rounded to the next integer. The Contracting Authority will from then on consider this average price offered by each participant as the bid made for the basic blocks ranked as 1–4 on the Offer Sheet.

4.1.2.2 Ranking of bids

The Contracting Authority once again ranks the bids made and calculated based on Section 4.1.2.1 in order and establishes the ranking positions of all the bids of the participants. In its resolution concluding the auction, the Contracting Authority determines the winners of the 40 (forty) TDD basic block of the 3600–3800 MHz frequency band by announcing the participants having made the 40 (forty) highest bids; however, a single participant or participants in a single group of owners may acquire entitlement to frequency use for no more than 100 MHz in total in the 3400-3600 MHz and 3600-3800 MHz frequency bands combined.

If auction entitlement to frequency use for more than a total of 100 MHz in all frequency bands listed in Section 2.2 of this Auction and also in view of their win determined based on the assessment specified in Section 4.1.1 are won by the valid bids made by a single participant or participants in a single group of owners during the assessment process, the Contracting Authority shall cancel the bids made by such participant or participants in a single group of owners starting from the one ranked as last with the smallest amount and proceeding to the next higher bid until the valid bids made by the said participant or participants in a single group of owners are established as winners of entitlement to frequency use for no more than 100 MHz.

The Contracting Authority first cancels the valid bids made by participants in a single group of owners, and only after that proceeds with the cancellation of the valid bids made by the individual participants.

The Contracting Authority always replaces the cancelled bid in the ranking with the next highest valid bids made by the other participants and declares the ranking of the bids and the winning bids based on this modified ranking list.



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4.1.2.3 Call for counteroffers in the case of bids made by participants in a single group of owners

If the bids with the same amount result in a tie and the Contracting Authority cannot determine in the case of participants in a single group of owners when also considering the rules on minimum acquisition in Section 2.2.2 as to which basic block valid bids win no more than 100 MHz entitlement to frequency use, the Contracting Authority issues a call for counteroffers.

The Contracting Authority may issue no more than 1 (one) call for counteroffers to participants in a single group of owners. Participants in a single group of owners shall have 3 (three) days from the receipt of the Contracting Authority's call to make their counteroffers for the basic blocks affected by the tie. The deadline defined for placing the counteroffer is peremptory; after expiry of the deadline, no extension is possible.

In its call for counteroffers, the Contracting Authority shall inform the participants in a single group of owners about the following:

- the number of basic blocks affected by the tie, and
- the amount of the bid affected by the tie, and
- the number of participants in a single group of owners in the tie.

A counteroffer may be made by submitting to the Contracting Authority the Counteroffer Sheet attached to the call for counteroffers under the condition that the Counteroffer Sheet may exclusively be used to make new bids only for the basic blocks affected by the tie. In the event of a counteroffer, the amount of the bid listed on the Counteroffer Sheet shall exceed the amount of the bid included on the Offer Sheet; in addition, the participant shall comply with the numbering requirements specified in Section 3.25 when making the new bids. The rules for the completion of the Offer Sheet shall also apply to the Counteroffer Sheet with the differences outlined in the Documentation. No new performance security adjusted to the amount of the bids made on the Counteroffer Sheet is required when making the counteroffer.

If any of the bids made during the counteroffer is deemed invalid under Section 3.25 or fails to comply with the conditions for substantive validity, it does not invalidate the original bids, nor does it result in the substantive invalidity of the Offer. In this case, the Contracting Authority disregards the invalid bid(s) made by the participant during the counteroffer and will only assess the participant's original bid. If the participant fails to comply with the Contracting Authority's call for counteroffer by the deadline specified herein, the Contracting Authority will only assess the original bid of the participant.

The Contracting Authority shall assess the Counteroffer Sheets submitted in response to the call for counteroffers as per Section 4.1.2.2 provided that it may only change the ranking of the bids submitted for the basic blocks affected by the call for counteroffers. If the counteroffer also involves the acquisition of entitlement for the 4 (four) basic blocks designated as the minimum acquisition limit, the Contracting Authority, before the assessment in Section 4.1.2.2 shall average the bids as per Section 4.1.2.1.

If the outcome of the assessment as per Section 4.1.2.2 following the counteroffers still results in a tie so that the Contracting Authority cannot determine, while also considering the rules for minimum acquisition as per Section 2.2.2 as well as the wins determined based on the assessment as specified in Section



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4.1.1, which of the winning bids for the basic blocks by the specific participants result in wins for no more than 100 MHz of entitlement to frequency use, the Contracting Authority will determine the ranking of the bids in tie by a draw of lots as specified in Section 4.1.2.4.

4.1.2.4 Draw of lots for bids by participants in a single group of owners

In the case specified in Section 4.1.2.3, the Contracting Authority determines which bids to cancel by way of a draw of lots among the participants in a single group of owners in the presence of a notary public. Should a draw of lots become necessary, the Contracting Authority shall notify the affected applicants at least five (5) days in advance.

Representatives of participants (up to four people per applicant) may be present at the draw. Attendees shall provide proof of identification, and those representing an economic operator (excluding natural persons and sole entrepreneurs) shall submit an original copy of the officially signed proxy letter authorising representation (for participating at the draw) to the Contracting Authority. The legal representative of the participant may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

If the person intending to attend the draw is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for attending the draw) to the contracting authority.

4.1.2.5 General call for counteroffer

After concluding the procedure as stipulated in Sections 4.1.2.3–4.2.2.4 or, if taking the steps specified in Sections 4.1.2.3–4.1.2.4 is not necessary, then after concluding the assessment as per Section 4.1.2.2, the Contracting Authority calls the participants having made the bids involved in the tie to submit their counteroffers if the number of valid bids exceeds the number of available basic blocks (participants must submit valid bids for a minimum of 41 (forty-one) basic blocks), and the assessment of the bids as per Section 4.1.2.2 concludes that the bids of the same amount result in a tie where the Contracting Authority cannot determine the winner for all basic blocks.

The Contracting Authority sends no more than 1 (one) counteroffer, and exclusively for the basic blocks affected by the tie, and only to those participants who can potentially acquire, with the basic blocks affected by the tie combined, entitlement for the 4 (four) basic blocks specified as the minimum acquisition limit as per Section 2.2.2 of the Documentation.

Participants shall have 3 (three) days from the receipt of the Contracting Authority's call to make their counteroffers for the basic blocks affected by the tie. The deadline defined for placing the counteroffer is peremptory; after expiry of the deadline, no application for verification of extension is possible.

In its call for counteroffers, the Contracting Authority shall inform the participants affected in the tie about the following:

- the number of basic blocks affected by the tie, and



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- the amount of the bid affected by the tie, and
- the number of participants affected in the tie.

A counteroffer may be made by submitting to the Contracting Authority the Counteroffer Sheet attached to the call for counteroffers under the condition that the Counteroffer Sheet may exclusively be used to make new bids only for the basic blocks affected by the tie. In the event of a counteroffer, the amount of the bid listed on the Counteroffer Sheet shall exceed the amount of the bid included on the Offer Sheet; in addition, the participant shall comply with the numbering requirements specified in Section 3.25 when making the new bids. The rules for completing the Offer Sheet shall also apply to the Counteroffer Sheet with the differences outlined in the Documentation. No new performance security adjusted to the amount of the bids made on the Counteroffer Sheet is required when making the counteroffer.

If any of the bids made during the counteroffer is deemed invalid under Section 3.25 or fails to comply with the conditions for substantive validity, it does not invalidate the original bids, nor does it result in the substantive invalidity of the Offer. In this case, the Contracting Authority disregards the invalid bid(s) made by the participant on the Counteroffer Sheet and will only assess the participant's original bid. If the participant fails to comply with the Contracting Authority's call for counteroffer by the deadline specified herein, the Contracting Authority will only assess the original bid of the participant.

The Contracting Authority shall assess the Counteroffer Sheets submitted in response to the call for counteroffers as per Section 4.1.2.2 provided that it may only change the ranking of the bids submitted for the basic blocks affected by the call for counteroffers.

If the counteroffer also involves the acquisition of entitlement for the 4 (four) basic blocks designated as the minimum acquisition limit, the Contracting Authority, before the assessment in Section 4.1.2.2 shall average the bids as per Section 4.1.2.1.

If the outcome of the assessment as per Section 4.1.2.2 following the counteroffers still results in a tie so that the Contracting Authority cannot determine, while also considering the rules for minimum acquisition as per Section 2.2.2 as well as the wins determined based on the assessment as specified in Section 4.1.1, which of the winning bids for the basic blocks by the specific participants result in wins for no more than 100 MHz of entitlement to frequency use, the Contracting Authority will determine the ranking of the bids in tie by a draw of lots as specified in Section 4.1.2.6.

4.1.2.6 Declaring the winner in the 3600–3800 MHz frequency band by way of drawing of lots

If there is a tie among the affected basic blocks even after concluding the procedure specified in Section 4.1.2.5, the Contracting Authority determines the winner by way of drawing of lots in the presence of a notary public. Should a draw of lots become necessary, the Contracting Authority shall notify the affected applicants at least five (5) days in advance.

Representatives of participants (up to four people per applicant) may be present at the draw. Attendees shall provide proof of identification, and those representing an economic operator (excluding natural persons and sole entrepreneurs) shall submit an original copy of the officially signed proxy letter authorising representation (for participating at the draw) to the Contracting Authority. The legal



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representative of the participant may certify its representation rights with a certificate of incorporation no older than 30 (thirty) days, an authority certificate or document officially corroborating the lawful representation right.

If the person intending to attend the draw is doing so on behalf of a natural person or sole entrepreneur, they shall submit an original copy of the officially signed proxy letter (for attending the draw) to the contracting authority.

4.2. Establishing the result of the auction procedure

The Contracting Authority, in its resolution closing the auction procedure on the merits,

- a) identifies, if the auction procedure is successful, the winner(s) of the Auction, and the entitlement of the user blocks they won, which user blocks were established based on the outcome of the procedure as specified in Section 4.1 and in accordance with the provisions of Section 4.2.1, or
- b) if the auction procedure is unsuccessful, then establishes this fact.

The Contracting Authority shall issue a consolidated resolution pertaining to all the user blocks involved in the auction procedure.

The contracting authority shall notify each participant of the procedure about its decision concluding the procedure, and publish the decision on its website.

Redress against the auction procedure shall be governed by the provisions of the Electronic Communications Act and the Administrative Procedures Act.

The winner may be selected only from among applicants that, from the submission of their application, have continuously complied with the conditions set out in the Documentation and in the Decree on the rules of auction and tender.

In its decision concluding the auction procedure, the Contracting Authority shall dispose of the conditions of usage of the user block in line with the Documentation and the Application(s) of the winner(s), in particular of the deadline for launching the procedure for issuing the framework licence, and of other conditions set out in the Documentation.

By the acquisition of entitlement to frequency use the winner obtains exclusive rights and obligations to initiate, by the deadline established in Section 2.23, a procedure for the issuance of the framework licences required for the use of the acquired frequency

Pursuant to Section 22 (2) a) of the Decree on the rules of auction and tender, the date of acquisition of the exclusive right in the previous paragraph is the date when the full auction price is credited to the account number of the Contracting Authority specified in Section 5.1.

The condition for the issuance of the administrative licences required for the use of the frequency is the coming into force of the resolution concluding the auction procedure.

4.2.1 Establishing of user blocks

User blocks are established by the Contracting Authority after the assessment procedure described in Section 4.1. Based on Section 4.1, the Contracting Authority determines the number of winning bids for basic blocks by each participant. Next, the Contracting Authority combines the basic blocks into an theoretical user block for each participant, which then are allocated within the 3400–3600 MHz and the 3600–3800 MHz frequency bands as stipulated in this section.

The Contracting Authority allocates the theoretical user blocks so that the sections of the frequency band not licenced under this procedure form the largest possible continuous block of frequencies.

During the allocation of the theoretical user blocks, no separating band will be implemented in the 3400–3800 frequency band.

4.2.1.1 Special rules in the 3400–3600 frequency band

- a) The Contracting Authority first allocates the theoretical user blocks created from the basic blocks won by participants with entitlement to frequency use in this frequency band at the time this auction procedure is launched. The purpose of the Contracting Authority with the allocation is to ensure that there is an overlap of the user blocks obtained by the participant as a result of this auction procedure and the section of the frequency band the specific participant already had a frequency licence for at the time this auction procedure started while also taking into account the options to allocate the theoretical user blocks in the frequency band.
- b) After completing the procedure in item a) above, the Contracting Authority then allocates the theoretical user blocks from the basic blocks won by participants with no entitlement to frequency use in this frequency band at the time this auction procedure is launched for the remaining basic block positions.

4.2.1.2 Special rules in the 3600–3800 frequency band

- a) The Contracting Authority ranks the theoretical user blocks created from the basic blocks obtained by the participants in reversed size order, from the larger to the smaller ones. In the event of multiple theoretical user blocks of the same size, the Contracting Authority will rank the theoretical user block of the participant offering a higher total auction price for the obtained 3600–3800 MHz basic blocks.
In the event of theoretical user blocks of the same size and the same auction price, the Contracting Authority allocates user blocks in the alphabetical order of the names of participants listed in the auction register, i.e. the user block of the user first in the alphabet is ranked first by the Contracting Authority.
- b) Based on the ranking established according to item a) above, the Contracting Authority allocates the theoretical user blocks in reverse size order, allocating the larger theoretical blocks to the upper frequency band limit and going downward in the frequency.



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4.3. Declaring the auction procedure unsuccessful

The procedure will be deemed unsuccessful if all submitted Applications and Offers are invalid in terms of form or content.

The Contracting Authority notifies each applicant of its decision to pronounce the auction procedure unsuccessful, and also publishes the decision on its website.

For the rules of redress against the decision pronouncing the auction procedure unsuccessful refer to the Electronic Communications Act and the Administrative Proceedings Act.

4.4. Termination of the auction procedure

In the cases set out under Section 20 (1) of the Decree on the rules of auction and tender, the contracting authority terminates the procedure by way of an order.

5. Obligations resulting from the acquisition of entitlement to frequency use

The Contracting Authority oversees full compliance with and performance of the stipulations set out in the administrative resolution specified in Section 4.2 in the context of an administrative supervisory procedure.

The entitled party must meet the conditions attached to the acquisition of the entitlement to frequency use, the commitments undertaken in its Offer, and the regulations pertaining to electronic communications during the entire term thereof, and if it fails to meet any condition, the legal consequences set out in the Electronic Communications Act shall apply.

5.1. Conditions of payment of the total auction price

The winner of the auction procedure shall pay the total auction price as per the following.

Within 10 (ten) days of the entry into force of the resolution concluding the auction procedure, the winning applicant shall transfer the full auction price to the Contracting Authority's bank account.

The total auction price shall be transferred to the contracting authority's account number 10032000-00300939-00000031 held at the Hungarian State Treasury, specifying "Teljes árverési díj" (Total auction price).

In the event of late payment, the Contracting Authority is entitled to charge a late payment interest as per the Civil Code and, following a one-off demand for payment and the expiration of the payment deadline specified in the demand for payment, to satisfy its claim from the performance security submitted as per Section 3.15; moreover, the Contracting Authority is also entitled to impose a procedural fine.

5.2. Radio licence, distribution of equipment

Pursuant to the Electronic Communications Act and NMHH Decree 7/2012 (I. 26.) on certain administrative procedures of civil frequency management (hereinafter: Decree on civil frequency management), a framework licence is required for the lawful utilisation of the acquired block. The framework licence includes the general conditions for operating the electronic communications network without any specific parameters.

The first station may only be commissioned following the entry into force of the framework licence. Application for the framework licence shall be made prior to the commissioning of the first station. When submitting to the contracting authority its application for a framework licence, the submitting party shall take into account the statutory administrative time period in the licensing procedure, as well as any applicable deadlines stipulated in legislation.

No further radio licences are required for the commissioning of stations, but detailed data on each station must be provided to the contracting authority electronically, in the format defined by the contracting authority, via the PchIF/PC Data Exchange application (<http://nmhh.hu/pchif>).



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As part of its reporting obligation, the applicant shall inform the Authority about the selected technology to be used, within one month following its acquisition of the licence in the case of a technology upgrade, or within one month following the launch of the technology selected. In addition to the name of the technology, the actual nominal channel spacing and the channel centre frequency must also be provided.

The contracting authority registers the stations with their pertaining installation and broadcasting parameters in line with the framework radio licence, and will deny registration in case of non-conforming parameters, notifying the affected party thereof in a resolution. The contracting authority verifies compliance with the licence in the context of an administrative supervisory procedure.

User stations are exempted from individual licensing obligations.

Station installation and deployment are subject to planning, with the pertaining deployment and broadcasting parameters defined in the course of planning. Plans do not have to be presented or submitted to the contracting authority; however, upon the request of the contracting authority the detailed plans of both operating and formerly operating stations must be made available within 5 (five) days in a signed hard copy.

The following regulation is applicable to the market introduction and utilisation of mobile telecommunication equipment:

- base station and forwarding equipment must be reported to the contracting authority for registration;
- radio telecommunications terminal equipment does not need to be reported to the Contracting Authority if harmonised radio equipment is put into operation in the frequencies constituting the subject of the procedure (Annex 5 to the Decree on the national frequency allocation and on the utilization rules of frequency bands (hereinafter: NFFF)).

5.3. Extent of the band fee, terms of payment

Throughout the validity period of the entitlement to frequency use, use of the pertaining frequencies is subject to a fee (hereinafter: band fee). The band fee shall be payable for the period starting with the acquisition date of the entitlement to frequency use, which, pursuant to Article 22 (2) c) of the Decree on the rules of auction and tender is the day when the auction price is credited to the bank account specified by the Contracting Authority .

For the detailed rules on establishing the amount of the band fee and its terms of payment, refer to the resolution specified in Section 4.2 and NMHH Decree 1/2011 (III. 31.) of frequency reservation and usage fees.

The band fee shall be paid each month, upon the invoice issued by the contracting authority, via bank transfer to the Authority's bank account held with the Hungarian Treasury under account no. 10032000-00300939-00000017.

5.4. Conditions for the secondary trading of entitlement to frequency use

The entitlement to frequency use and the right of frequency use acquired at the auction procedure may be transferred and leased either partially or entirely; partial transfer or lease relating to frequencies shall be completed in form of blocks. The NMHH decree on secondary trading governs the procedural laws on the secondary trading of the entitlement to frequency use and the right of frequency use acquired at the auction procedure.

5.5. Statutory amendment to the administrative resolution pertaining to the entitlement to frequency use, for efficient frequency band use

Solely in particularly warranted cases, for the sake of efficient band use, the Contracting Authority is entitled to amend the administrative resolution pertaining to the entitlement to frequency use; thus, in particular — by providing timely notification and without significant prejudice to the winning applicant's interests, with due consideration for Article 84 (8) of the Electronic Communications Act and in compliance with the prevailing legislative requirements and any obligations, both international and those stemming from Hungary's membership in the European Union —, it is entitled to review the band limits of the frequency bands constituting the subject of the entitlement to frequency use and the size and configuration of the basic blocks and user blocks; moreover, to withdraw or amend the conditions of band use, for any of the following reasons:

- a situation has emerged in the Hungarian electronic communications market that impedes broader access affecting a wide range of consumers, users and subscribers and fostering the development of information society, the appearance and development of technologies or services allowing greater choice and/or more accessible and higher standard opportunities at a competitive price, that cannot be resolved amid reasonable conditions without applying the aforementioned measures;
- with regard to provisions related to spectrum regulation stemming from international obligations applicable pursuant to Hungarian law; or
- with regard to primary or secondary sources of European Union law governing the implemented spectrum regulation.

5.6. Cooperation in qualified periods and in the interest of national defence

Participants having obtained entitlement to frequency use shall comply with the provisions set out in the Electronic Communications Act and other legislation regarding qualified periods and cooperation with state organisations in the interest of national defence. The use of certain frequency bands may be restricted during qualified periods.



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5.7. Cooperation for the purposes of gathering confidential information

Participants having obtained entitlement to frequency use shall comply with the relevant provisions set out in the Electronic Communications Act, Act CXXV of 1995 on National Security Services and Government Decree 180/2004 (V. 26.) on the rules of cooperation between the organisations performing electronic communications tasks and the organisations authorised to collect confidential information and obtain confidential data.

5.8. Providing Data

Economic operators having obtained entitlement to frequency use shall disclose to the contracting authority any data necessary for performing the tasks within the competence of the contracting authority and defined in relevant legislation in the manner and with the conditions set forth in legislation, even if such data qualify as trade secret. Upon the operator's request, the contracting authority shall handle the data disclosed by the entity having obtained entitlement to frequency use confidentially and in line with data protection rules. Data disclosure to the contracting authority is free of charge. Entities having obtained entitlement to frequency use shall comply with the data handling rules set forth in legislation.

5.9. Returning the entitlement to frequency use

Upon the request of the right holder, the contracting authority shall withdraw the frequency use right.

If the participant issues a request for the withdrawal of the frequency usage right obtained in the context of the auction procedure, the amount paid by the participant for the frequency usage right (in particular the total auction price) shall not be reimbursed.



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Annex 1

Technical Rules of Spectrum Management

3400–3800 MHz

In addition to the technical requirements stipulated in NMHH decree 7/2015 (XI.13.) on the national frequency allocation and the rules of using frequency bands, the entitled entity must also comply with the requirements outlined in this annex when designing and installing networks and systems and when using frequencies.

Pursuant to Article 10 (1) item 22 of the Electronic Communications Act , the Authority provides for specifying the national frequency allocation and, as needed but at least every three years, its review. The Authority will start the review of the regulation pertaining to the 3400–3800 MHz frequency band based on the outcome of this procedure and within the review period. Within that context, the Authority will review the potential introduction of TDD systems in the 3400–3600 MHz frequency band and the relevant regulations.

1. Selection of channel centre frequency

Channel centre frequencies may be selected wherever permitted under the relevant standards. However, near the edges of user blocks channels must be placed so as to ensure that the channel pertaining to the centre frequency falls entirely within the entitled entity's frequency block — even when requirements of in-block frequency use are being adhered to and if the nominal spacing for the selected technology and the prescribed channel edge separation (if any) are being utilised —, unless otherwise agreed by those entitled using adjacent user blocks.

2. Use of radio frequencies in national border zones

As for the use of radio frequencies in national border zones, only stations meeting prevailing relevant conditions set forth in international coordination documents may be permitted to be used.

The Authority makes the extracts of the international frequency coordination agreements available on its website. If necessary and upon the applicants' written request, the authority shall make available all relevant agreements, written in English, as PDF files.

Future agreements and their subsequent amendments may supplement or override earlier agreements.

Subject to an operator agreement approved by the authorities of neighbouring countries with national jurisdiction, frequency use other than those specified in international coordination agreements may also be permitted.

3. Compatibility requirements on adjacent frequency bands

When deploying land/central stations and repeater stations, interference caused by military radars licenced earlier and operating in the 2700–3100 MHz band must be taken into account.

The impacts of military radar stations in their proximity must be considered when the system at hand is being designed and its stations deployed. At this phase, it is recommended to carry out measurements on site, as interference impact of radar stations is detectable, if at all, to a small extent due to local geographic features in wave propagation, low duty cycle and ground cover.

The table below contains a list of radar stations relevant as regards interference.

Location	Geographic coordinates of the site (VGS-84)		Operating frequency band
	North	East	
Kup	47°15'08"	17°28'04"	2,7 – 3,1 GHz
Juta	46°23'37"	17°44'09"	2,7 – 3,1 GHz
Medina	46°28'18"	18°37'08"	2,7 – 3,1 GHz
Békéscsaba	46°41'06"	21°00'44"	2,7 – 3,1 GHz



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Annex 2.

Rules of identifier management



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1. Assignment of identifier

Pursuant to Article 85 (2) of the Electronic Communications Act, identifiers may only be used based on an assignment authorisation. The rules for using the identifier are stipulated in NMH Decree 3/2011 (IX.26.) on the national allocation plan of electronic communications network identifiers (hereinafter: ANFT).

Mobile telephone services and mobile internet access may be provided for mobile subscriber numbers (MSISDN) specified under item 2.3 of Annex 1 to ANFT. Voice over mobile IP may be provided for nomadic telephone numbers (SHS=21) specified under item 2.4 of Annex 1 to ANFT. For purposes of M2M communications, the M2M number range stipulated in Section 2.10 of Annex 1 to ANFT (SHS=71) may be used.

If the criteria for providing mobile radio telephony service and mobile internet access service are met, for the mobile subscriber numbers (MSISDN) the Authority will open up and allocate to the new operator a blocked sub-range of the SHS=50 number range reserved for shared use by several mobile service providers.

For the use of identifiers thereby assigned, a fee stipulated in NMHH Decree No. 5/2012 (IX. 24.) on the tariffs charged for reservation and use of identifiers needed for electronic communications services shall be paid.

2. Number portability

For the assigned identifiers, number portability shall be guaranteed in accordance with NMHH Decree 2/2012 (I. 24.) on the detailed rules of number portability.



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Annex 3.

Offer Sheet



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Offer Sheet

for the auction regarding “entitlement to frequency use for the 3400-3800 MHz frequency band”

Please read the numbering requirements specified in the Documentation carefully prior to completing this form.

3400–3600 MHz frequency band Reserve price for an FDD basic block HUF 108,000,001

2 * 5 MHz basic blocks	Amount of bid (HUF)
	in words:
Basic block 1	
Basic block 2	
Basic block 3	
Basic block 4	
Basic block 5	
Basic block 6	

3600–3800 MHz frequency band

Reserve price for a TDD basic block HUF 54,000,001

5 MHz basic blocks	Amount of bid (HUF)
	in words:
Basic block 1	
Basic block 2	
Basic block 3	
Basic block 4	
Basic block 5	
Basic block 6	
Basic block 7	
Basic block 8	
Basic block 9	
Basic block 10	



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5 MHz basic blocks	Amount of bid (HUF)
	in words:
Basic block 11	
Basic block 12	
Basic block 13	
Basic block 14	
Basic block 15	
Basic block 16	
Basic block 17	
Basic block 18	
Basic block 19	
Basic block 20	

2 May 2016

.....
(authorised signature / signature by the applicant's
representative)



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Appendix

Guide to the Offer Sheet

All bids listed on the Offer Sheet shall comply with the numbering conditions specified in Section 3.25 of the Documentation:

1. The reserve price specified in Section 2.2 must be met;
2. It must be an integer;
3. The last 3 (three) digits of the bid may not be 3 (three) consecutive numeral in increasing or decreasing order;
4. The last 3 (three) digits of the bid may not be 3 (three) identical numerals;
5. The amount of any bid submitted for the 3400–3600 MHz frequency band or the 3600–3800 MHz frequency band may be identical with the amount of any other bid made for the same frequency band.

Examples for bids contradicting the numbering conditions

Amount of the bid	Reason for the bid being invalid
For the 3400–3600 MHz frequency band: 107,000,990	The amount of the bid does not meet the reserve price
For the 3600–3800 MHz frequency band: 50,000,600	The amount of the bid does not meet the reserve price
308,000,124.5	The amount of the bid is not an integer number
206,000,000	The last 3 digits of the bid are identical
358,126,555	The last 3 digits of the bid are identical
210,000,123	The last 3 digits of the bid are consecutive numerals in increasing order
300,000,321	The last 3 digits of the bid are consecutive numerals in decreasing order
within a single frequency band: 198,123,466 198,123,466	The bid is the same as the amount of another bid within the same frequency band

Examples for bids complying with the numbering conditions

Amount of the bid	Reason for the bid being valid
126,126,556	The last 3 digits of the bid are neither identical, nor consecutive numerals
126,126,566	The last 3 digits of the bid are neither identical, nor consecutive numerals
126,126,656	The last 3 digits of the bid are neither identical, nor consecutive numerals
258,000,421	The last 3 digits of the bid are neither identical, nor consecutive numerals
300,111,112	The last 3 digits of the bid are neither identical, nor consecutive numerals
within a single frequency band: 160 123 466 161 123 466	The bid is not the same as the amount of another bid within the same frequency band
within a single frequency band: 260 123 466 260 123 467	The bid is not the same as the amount of another bid within the same frequency band
For the 3400–3600 MHz frequency band: 110,000,990 For the 3600–3800 MHz frequency band: 110,000,990	The bid is not the same as the amount of another bid within the same frequency band