



NMHH

Nemzeti Média- és Hírközlési Hatóság

AUCTION NOTICE

THE OFFICE OF THE NATIONAL MEDIA AND INFOCOMMUNICATIONS AUTHORITY IS ANNOUNCING AN AUCTION REGARDING FREQUENCY USE ENTITLEMENTS SUPPORTING THE INTRODUCTION OF 5G AND THOSE RELATED TO ADDITIONAL WIRELESS BROADBAND SERVICES IN THE 700 MHZ, 2100 MHZ, 2600 MHZ AND 3600 MHZ FREQUENCY BANDS

Published: 23 July 2019

1. The auction (hereinafter: auction procedure) will be started ex officio on the day of the release of this notice, that is, on 18 July 2019. The document number of the auction procedure is UF/19180/2019.
2. The rules of NMHH Decree 4/2011 (X. 6.) on the rules of auction or tender for obtaining entitlement to frequency use (hereinafter: Decree on the rules of auction or tender) shall govern the auction procedure.

The auction procedure is an administrative case and an administrative procedure within the scope of authority of the Office of the National Media and Infocommunications Authority (hereinafter: Auctioneer).

The auction procedure set out in Act C of 2003 on Electronic Communications and Act CXL of 2016 on the General Rules of Administrative Proceedings and Services shall apply to the tender procedure.

3. The detailed rules of the auction procedure are set forth in the tender notice documentation (hereinafter referred to as the Documentation) drawn up by the Auctioneer.
4. While the [Documentation](#) is available to the public and [free to download](#) on the Auctioneer's website (http://english.nmhh.hu/5g_auction_documentation), only persons and entities officially registered as stipulated herein may submit written questions about the Documentation, as allowed for in Section 8. (1) of the Ápszr.

Registration is allowed from the date of publication of the Notice until the application deadline. Written questions regarding the Documentation received up to the 10th day prior to the application deadline shall be replied to by the Auctioneer 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.

A joint condition of registration is downloading and filling out the Data Sheet available from the link on the Auctioneer's website (http://english.nmhh.hu/5g_auction_data_sheet), then submitting the completed Data Sheet to any of the contact details of the Auctioneer listed in Section (21) of the Documentation, as well as providing proof of payment of the registration fee. If any of these conditions are not met, the registration is invalid.

The Auctioneer shall register those registered in accordance with the conditions set out in the Documentation, and shall notify the registered parties of the fact of such registration. In case of incomplete or otherwise inadequate registration, the Auctioneer shall inform the initiator of the registration by identifying the deficiencies.

The amount of the registration fee is HUF 100,000 + VAT, totaling HUF 127,000 (one hundred and twenty seven thousand Forints).

The registration fee shall be transferred to the Auctioneer's account number 10032000-00300939-00000017 held at the Hungarian State Treasury, specifying "az 5G árverés regisztrációs díja" (registration fee for the 5G auction).

5. Subject of the auction procedure

The subject of this auction procedure is the entitlement to frequency use for the following user blocks as stipulated in the Annex 1. of NMHH Decree 7/2015 (XI.13.) on the national frequency allocation and the rules of using frequency bands (hereinafter: NFFF):

- a) the 694–790 MHz frequency band (700 MHz frequency band)
- b) the 1920 to 1980/2110 to 2170 MHz (2100 MHz frequency band)
- c) the 2500–2690 MHz frequency band (2600 MHz frequency band) and
- d) the 3400–3800 MHz frequency band (3600 MHz frequency band)

which the NFFF allows for allocation, but which have not been allocated for the purpose of this auction, i.e. the following frequency ranges: 708–733/763–788 MHz, 1965–1980/2155–2170 MHz, 2600–2615 MHz and 3490–3800 MHz.

The following table shows the quantity and amount of frequency of the lots in each frequency band:

Name of frequency band	Number of lots	Frequency amounts offered for sale	
700 MHz	5 lots of 10 MHz each	5x2x5 MHz	50 MHz
2100 MHz	3 lots of 10 MHz each	3x2x5 MHz	30 MHz
2600 MHz	1 lot of 15 MHz	1x15 MHz	15 MHz
3600 MHz	31 lots of 10 MHz each	31x10 MHz	310 MHz

Having fulfilled all other statutory conditions, the participant successfully acquiring the entitlement to frequency use may install and operate radio systems for providing electronic communications services in compliance with the terms of the frequency use licence.

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

6. The (quantitative) limits on the acquisition of entitlements to frequency use are set out in the NFFF and the Documentation.
7. The frequencies available in the context of the procedure can be put into use from the following dates:

Frequency Band	Availability
700 MHz	In the 700 MHz frequency band, the operation of the radio system will start on 6 September 2020 at the earliest. The 700 MHz frequency band may be taken into use with the caveat that the usability of user block(s) created in the frequency band for electronic communications services is conditional upon the stopping of foreign terrestrial television broadcast stations in the 700 MHz frequency band. For more details, please refer to Item 1.A.2. b) of Section 3 of Annex 1 of the Documentation.
2100 MHz	Basic blocks may be put into use as soon as the pertaining entitlement to frequency use is acquired.
2600 MHz	Basic blocks may be put into use as soon as the pertaining entitlement to frequency use is acquired.
3600 MHz	The basic blocks are available from the date of obtaining the entitlement to frequency use.

The duration of all frequency use entitlements obtainable in this procedure are regulated by Section (33) of the Documentation; according to the general rule stipulated therein, the expiry date for all entitlements is: 6 September 2034.

The duration of frequency use entitlements may be extended once by an additional five (5) years without a competitive procedure, with unchanged contract terms and conditions and without the payment of an additional one-time fee as incorporated in a decision issued in closing the auction procedure. The detailed rules regarding the procedure for extending frequency use entitlements are described in Section 2.2.3.1 of the Documentation.

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

9. Reserved price (unit price) of lots for the individual frequency bands:

Frequency Band	Reserved price (HUF)	
	In numbers	In letters
700 MHz	5,000,000,000	five billion
2100 MHz	4,000,000,000	four billion
2600 MHz	1,000,000,000	one billion
3600 MHz	1,500,000,000	one billion five hundred million

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

10. Applicants to the auction procedure shall pay a participation fee of HUF 100,000,000 + VAT, that is a total of HUF 127,000,000 (twelve million seven hundred thousand forints), in accordance with the rules set out in Item 3.11 of the Documentation.
11. Applications of applicants can be submitted in person on 8 August 2019 between 9:00 am and 12:00 pm at the following address of the Auctioneer, taking into account the requirements for format and content specified in the Documentation:

National Media and Infocommunications Authority
Address: 1015 Budapest, Ostrom utca 23-25.

12. For the personal criteria for participating in the auction procedure, as well as the format and content requirements of conformity for applications and offers, see the Ápszr. and the Documentation.

Budapest, 23 July 2019