



CLIENT NEWSFLASH

MOCI Announces 2.1 GHz and 2.3 GHz Frequency Band Auction Rules

On September 26, 2017, the Minister of Communications and Informatics (the “**MOCI**”) issued Regulation No. 26 of 2017 (the “**Regulation**”), which sets out procedures for 2.1 GHz and 2.3 GHz band spectrum auctions as part of the government’s goal of achieving broadband nationwide and to enable mobile operators to strengthen network capacity in order to enhance services to mobile users across the country.

The MOCI has allocated three blocks of frequency to be auctioned. For the 2.1 GHz band, the spectrums to be sold are 2 x 5 MHz (Frequency Division Duplexing) in the range of 1970 - 1975 MHz paired with 2160 - 2165 MHz (Block 11) and the range of 1975 - 1980 MHz paired with 2165 - 2170 MHz (Block 12). For 2.3 GHz, one block of 1 x 30 MHz (Time Division Duplexing) in the range of 2300 - 2330 MHz will be offered at auction. The Regulation does not specify the eligible technologies (technology neutral), but these spectrums are suitable for mobile operators to provide additional capacity for 3G or 4G services.

Under the Regulation, the MOCI will not impose any restrictions on potential bidders (all existing mobile operators are eligible); however, mobile operators can only win one of the three blocks. This is to promote competition in the mobile market and to ensure that these frequency bands, which are considered scarce resources, are distributed equally among the operators.

The auction is expected will generate minimum revenue for the government of IDR663.4 billion. Each winner will be granted a ten-year frequency band license (*Izin Pita Frekuensi Radio*).

The MOCI has invited potential bidders to participate in the auction process. The auction documents are available offline and may be collected at the auction committee secretariat as of October 2, 2017.

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