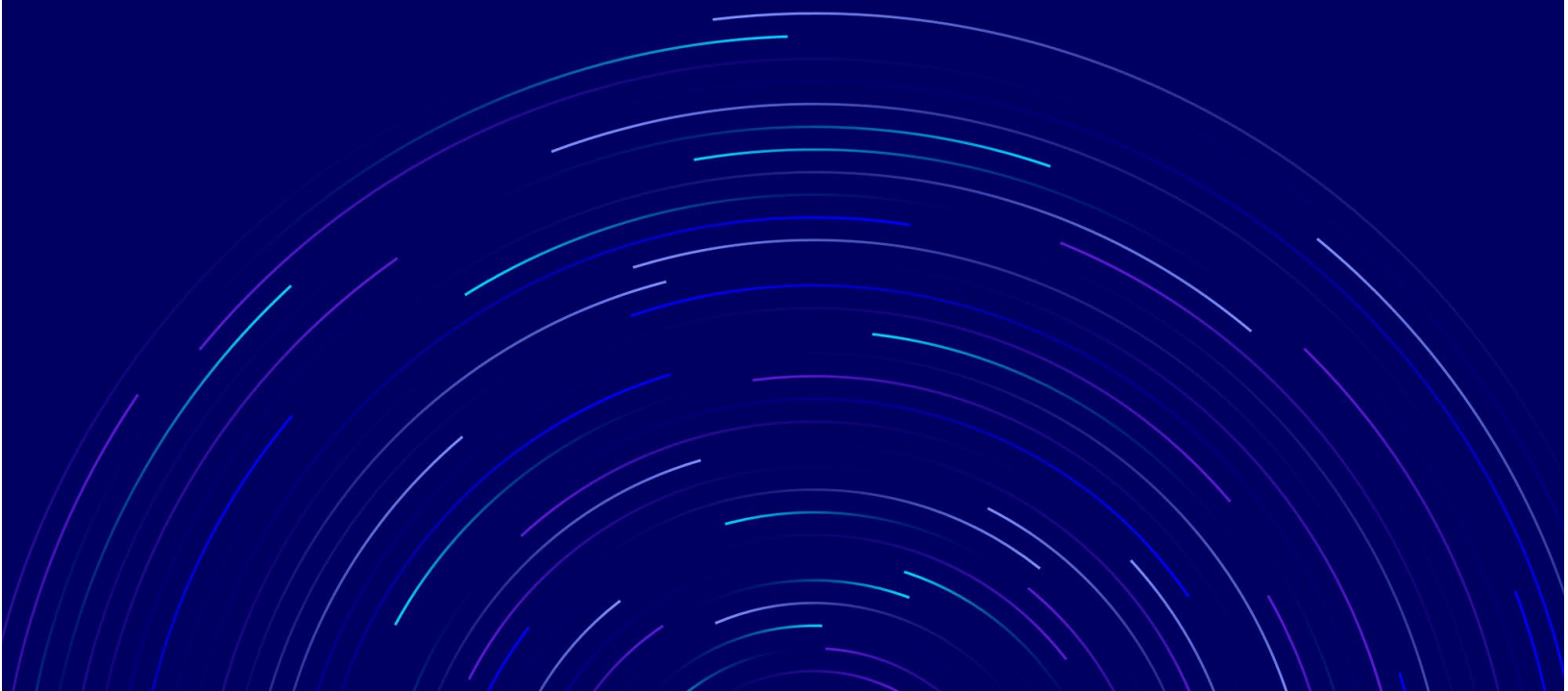




هيئة الاتصالات والفضاء والتقنية  
Communications, Space &  
Technology Commission

# Mediation Services Provision Regulations for Providing Electronic Telecommunications Services

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## Version Control Table

Version	Issue Date
Mediation Services Provision Regulations for Providing Electronic Telecommunications Services First Issue	July 2022 AD

## CONTENTS

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1. INTRODUCTION	4
2. DEFINITIONS:	5
3. SCOPE OF APPLICATION OF THE REGULATORY DOCUMENT	5
4. SCOPE OF MEDIATION PRACTICES OF ELECTRONIC TELECOMMUNICATIONS SERVICES PROVISION	5
5. SPECIAL TERMS AND CONDITIONS FOR REGISTRATION OF MEDIATION PRACTICES OF ELECTRONIC TELECOMMUNICATIONS SERVICES PROVISION	5
6. REQUIREMENTS FOR OBTAINING REGISTRATION	8
7. REGISTRATION FEES	9
8. DURATION OF REGISTRATION	9
9. GENERAL PROVISIONS	9

## 1 Introduction

E-commerce has recently witnessed a remarkable rise all over the world, so that beneficiaries rely more on digital methods to take advantage of services in various sectors. Subsequently, the conventional outlets for the provision of telecommunication services by service providers have become less attractive to the beneficiaries. In addition, there is no E-platforms in the Kingdom that provides information on prices, features, terms and conditions for telecommunication services provided by various service providers in the Kingdom in order for the beneficiaries to compare among them, choose the appropriate package for them, and facilitate and complete the process of buying and selling these services.

Therefore, CST issued Mediation Services Provision Regulations for Providing Electronic Telecommunications Services in the Kingdom of Saudi Arabia based on the tasks entrusted to the same in regulating ICT sector according to the Act, including: encouraging investment in telecommunications services and devices. Without prejudice to what is issued by the relevant competent authorities, CST, through this document, aims to regulate mediation of electronic telecommunications services provision in the Kingdom.

## 2 Definitions:

- 2-1 The expressions and terms mentioned in the provisions hereof shall have the same meanings stated in Telecommunications Act (Act) and Bylaw thereof. Further, the following terms and expressions shall have the following meanings assigned thereto unless the context requires otherwise.
- 2-1-1 **Cybermediary:** The entity registered with CST to carry out mediation practices of electronic telecommunications services provision.
- 2-1-2 **Mediation Practices of Electronic Telecommunications Services Provision:** Carrying out mediation practices of electronic telecommunications services provision to complete the process of purchasing telecommunications services for the benefit of users.
- 2-1-3 **E-platform:** Any electronic means used to carry out mediation practices of electronic telecommunications services provision.
- 2-1-4 **Registered:** The entity that obtained a registration for carrying out mediation practices of electronic telecommunications services provision.
- 2-1-5 **Registration:** Registering with CST to conduct mediation practices of electronic telecommunications services provision.

## 3 Scope of application of the regulatory document:

- 3-1 Without prejudice to the provisions contained in CST regulations, the provisions hereof shall apply to every legal person who performs mediation practices of electronic telecommunications services provision in the Kingdom of Saudi Arabia, and this includes joint stock companies or limited liability companies licensed to operate in the Kingdom of Saudi Arabia, and service providers licensed to provide telecommunications services, and users of the same.

## 4 Scope of mediation practices of electronic telecommunications services provision:

- 4-1 Mediation practices mainly include providing a platform that includes information on prices, features, terms and conditions for telecommunication services provided by service providers in the Kingdom in order for the users to compare among them, choose the appropriate package for them, and facilitate and complete the process of buying and selling these services. These services include:
- 4-1-1 Mobile Telecommunication Services, including selling postpaid and prepaid calling cards and packages, postpaid and prepaid data cards and packages from service providers and international roaming packages and providing price information, features, terms and conditions for each service and package, in order for the users to compare among them, and choose the appropriate service or package for them.
- 4-1-2 Fixed Telecommunication Services, including fixed telephone services, postpaid and prepaid fiber optics services and packages from service providers and the provision of price information, features, terms and conditions for each service and package, in order for the users to compare among them, and choose the appropriate service or package for them.
- 4-2 In addition to the services mentioned in clause (4.1), CST allows mediation practices to include the following services through the platform:
- 4-2-1 E-recharge cards for prepaid numbers.
- 4-2-2 Smartphones and the possibility of comparing prices and features.
- 4-2-3 Accessories for mobile phones and e-games.
- 4-2-4 Digital cards (iTunes, Google Play, etc.).
- 4-2-5 Gift cards for purchasing through the platform.
- 4-2-6 Any other services that CST deems appropriate in the future to be included in the scope hereof.

## 5 Special terms and conditions for registration of mediation practices of electronic telecommunications services provision

- 5-1 Cybermediary may only engage in mediation practices of electronic telecommunications services provision after registration with CST.
- 5-2 For an applicant to carry out mediation practices of electronic telecommunications services provision, the following is required:
- 5-2-1 To be exercised by a joint stock company or a limited liability company licensed to operate in the Kingdom of Saudi Arabia.
- 5-2-2 The company's capital shall not be less than three million Saudi riyals (SAR 3,000,000).

- 5-2-3 CST shall have the right to adjust the minimum required capital based on the work plan determined by the applicant.
- 5-2-4 Commitment to the Saudization percentage specified by Ministry of Human Resources and Social Development (HRSD) and CST.
- 5-2-5 Agreement with three licensed telecommunication service providers in the Kingdom, at a minimum, for both mobile and fixed services.
- 5-3 The primary purpose of the electronic connection between service providers and Cybermediary is to enable Cybermediary.
- 5-4 Entities that have Facilities-Based Unified License (UL), the entities that have General Class License (GCL) covered by the permit to provide the services of Mobile Virtual Network Operators (MVNO), or the entities that have the license to provide Facilities-Based Fixed Telecommunication Services licensed in the Kingdom, may not apply for registration as Cybermediary to provide electronic telecommunications services.
- 5-5 Owners (either collectively or individually) in entities that have Facilities-Based Unified License (UL), the entities that have General Class License (GCL) covered by the permit to provide the services of Mobile Virtual Network Operators (MVNO), or the entities that have the license to provide Facilities-Based Fixed Telecommunication Services licensed in the Kingdom may not, directly or indirectly, own any share of any class. CST may, at its own discretion, exempt whomever it deems appropriate from this condition at its own discretion.
- 5-6 Cybermediary shall verify the correctness and accuracy of the telecommunications services provided to the user and their conformity with what is approved by CST in ("Provision of ICT Services and Rights and Obligations of Users and Service Providers" document) and ("Retail Telecom Services Tariff Regulations" document) and any other related regulations, and establish the necessary procedures to verify the same and ensure the immediate update of the details and prices of the services provided by the contracted service providers.
- 5-7 Cybermediary shall be responsible and liable if it fails to verify the correctness and accuracy of the prices of the telecommunication services provided to the user and their conformity with what is approved by CST and with the details of the services provided by the contracted service providers.
- 5-8 Approval of the work plan for e-mediation practices from the company official representative before CST after obtaining registration from CST, and this plan shall be reviewed annually by company's official representative before CST, provided that CST no-objection is taken when any material change is made in Cybermediary strategy (for example, but not limited to contracting with a new service provider or canceling the contract with a service provider, adding or canceling services to be published on the e-platform) and CST may request to amend or change the work plan whenever it deems it necessary.
- 5-9 The registered Cybermediary may not outsource other persons to provide e-mediation services permitted to be provided under the registration issued to it by CST, except with the written consent of CST.
- 5-10 Violations and fines related to registration are handled in accordance with CST regulations.
- 5-11 Cybermediary shall clarify the nature and details of the services provided to users via the e-platform and to limit the same to what has been announced by the service provider without additional explanation.
- 5-12 Ensuring that the nature of the relationship between the parties to the transaction is clear, as it is clarified in the contract concluded between Cybermediary and the service providers, the limits of the responsibilities and obligations of Cybermediary and the responsibilities and obligations of the service provider.
- 5-13 Cybermediary shall disclose CST registration information to users.
- 5-14 Cybermediary shall make the necessary representations and undertakings that the user has been informed and agreed to before using the e-platform. Provided that, the user's declaration of the terms and conditions described herein shall be included as a minimum.
- 5-15 Cybermediary shall provide a list of service providers with whom it has been linked through the e-platform for users to view.
- 5-16 Cybermediary must not participate in any marketing campaigns for service providers, and not to favor one service provider over another and shall not discriminate between users, including - but not limited to:
  - 5-16-1 Not to allocate a special space in Cybermediary site to place an advertisement or images of services for one of the service providers.
  - 5-16-2 The search results shall be based on the service provider not the price or preferences chosen by the customer.
  - 5-16-3 The sizes of the service providers' trademarks should vary when the search results appear.
- 5-17 Cybermediary shall develop and operate the e-platform to carry out mediation practices of electronic telecommunications services provision and to develop standard technical interfaces to ensure the following:

- 5-17-1 Exchanging information and communicating electronically with the technical systems of service providers for the purpose of exchanging basic information of the user with service providers.
- 5-17-2 Enabling service providers to electronically verify the authenticity of information and documents submitted to Cybermediary by the user, authenticate the contact cards of the beneficiaries according to the obligations set out in ("Conditions of Provision of ICT Services and Rights and Obligations of Users and Service Providers" document) and any other related regulations, and inform Cybermediary of the verification and authentication result.
- 5-17-3 Linking the services and products provided via the e-platform with the technical systems of each service provider subject of the contract.
- 5-17-4 Providing users with updated tariffs for the services and packages under subscription electronically; Explaining the payment mechanism, features of services, packages, terms and conditions related thereto.
- 5-17-5 Providing users with updated prices for products offered through the platform; Explaining the payment mechanism, product features and terms and conditions related thereto.
- 5-18 The processes of sending a request to provide telecommunication services, receiving offers and subscribing in real time through technical communication interfaces between the e-platform and the technical systems of service providers.
- 5-19 Electronic transactions between the service provider, Cybermediary and the user are subject to the provisions of Electronic Transactions Law, Anti-Cyber Crime Law and other regulations related to e-transactions.
- 5-20 Cybermediary shall ensure that the service providers prepare their technological infrastructure before integration with them in order to enable exchange of information and electronic communication through the technological communication interfaces with the E-Platform according to the mechanism of communication set out in Article (5.17) hereinabove.
- 5-21 Cybermediary shall clarify and disclose, through the E-Platform, of all terms and conditions of use of the E-Platform, security instructions, methods of payment, confidentiality of information and any other instructions related to the use of the E-Platform, in addition to all data that shall be statutorily disclosed, and shall obtain the user's explicit consent thereon by clicking (I Agree) option after reviewing the same.
- 5-22 For provision of purchasing services to the users via the E-Platform, it is required to create an account for the user on the E-Platform, where it is required, for establishment of the account, to request the following information from the users as a minimum:
  - 5-22-1 User's full name.
  - 5-22-2 User's address.
  - 5-22-3 User's contact number.
  - 5-22-4 User's e-mail.
- 5-23 For completion of the process of sale of telecommunication cards, bundles and telecommunication services to the beneficiaries, it is required that Cybermediary successfully completes the process of documentation, establishment and activation according to the obligations set out in ("Conditions for Provision of ICT Services and Rights and Obligations of Users and Service Providers" document).
- 5-24 Cybermediary shall obtain the service applicant's explicit consent on service data after reviewing such data by clicking the option (I Agree).
- 5-25 Cybermediary shall disclose to CST its commission resulting from making contracts with the service providers, provided that commission shall not exceed 15%.
- 5-26 Service Provider shall deliver the telecommunication cards to the users in no later than 24 hours as of the date of demand to the urban areas. In addition, Service Provider shall determine the period of delivery to the users in the remote areas and inform them of the same.
- 5-27 Cybermediary shall receive and handle the users' complaints related to availability of the E-Platform and the related technological problems.
- 5-28 Cybermediary shall receive and handle the users' complaints related to the products provided via the E-Platform.
- 5-29 The responsibility for handling users' complaints related to provision of telecommunication services provided by the service provider via the E-Platform shall fall with the service provider and not Cybermediary.
- 5-30 Cybermediary shall make available the infrastructure necessary for provision of electronic mediation service inside the boundaries of the Kingdom of Saudi Arabia, including, but not limited to, devices of data hosting, storage of subscribers' data, servers, etc.
- 5-31 Cybermediary shall inform the users in advance of any fees or additional costs in return for any related services via the E-Platform, and shall obtain the user's consent thereon by clicking the option (I Agree).

- 5-32 Cybermediary shall send a message to the users via the e-mail and SMS clarifying amount of subscription to telecommunication services and communication channels with customer care of the service providers.
- 5-33 Cybermediary shall inform the users of any changes to the disclosure and conditions via the E-Platform, and shall obtain the user's explicit consent thereon by clicking the option (I Agree).
- 5-34 Cybermediary shall inform the user, in the event the service provider refuses making a service contract or in the event the service provider requests additional documents, via the e-mail and SMS, and shall provide and clarify a method for submission of the documents via the E-Platform.
- 5-35 Cybermediary shall provide a feature in the E-Platform that enables the users to communicate with Cybermediary's Customer Service via the E-Platform.
- 5-36 Cybermediary shall provide information of communication with the service provider's customer service with whom it is agreed to provide the mediation service in the E-Platform.
- 5-37 The users shall pay the consideration of billed mobile and fixed services provided via the E-Platform through the service provider's systems when invoicing. In addition, the users shall pay the consideration of prepaid mobile and fixed invoices via the E-Platform through Cybermediary's systems.
- 5-38 The users shall pay the consideration of products provided via the E-Platform through Cybermediary's systems.
- 5-39 The service provider and Cybermediary shall work and comply with the instructions issued by CST regarding the commission rate.
- 5-40 Cybermediary shall communicate with the user regarding any issue related to the telecommunication services via the e-mail and SMS.
- 5-41 The service provider shall inform Cybermediary, through the E-Platform, in case of subscription activation, and shall inform Cybermediary of all contract's information, including its term, advantages, terms and conditions in connection therewith and a digital copy of the service contract dated and electronically signed.
- 5-42 The service provider shall observe clarity and transparency in display of information announced via the E-Platform. In the event of restrictions or terms of use or obligations related thereto, such restrictions or terms of use shall be set out in such manner that shall not cause confusion or misleading to the user. In addition, the service provider shall include its main approved trademark in such platforms.
- 5-43 In case of need for disclosure of information of the subscription contract under the relevant laws and regulations:
  - 5-43-1 Submitting disclosures necessary for the issued subscription contracts.
  - 5-43-2 Ensuring compliance with all statutory procedures for disclosure.
  - 5-43-3 Taking all procedures necessary for maintenance of confidentiality of such information.
- 5-44 The Registered may assign the Registration – after obtaining CST's prior approval – provided that the assignee meets all statutory, technical, financial and commercial requirements with the aim of obtaining Registration under CST resolution and according to its regulations.

## **6 Requirements for Obtaining Registration:**

- 6-1 The application shall be submitted through the electronic licensing system, or as approved by the Authority.
- 6-2 Submitting a valid commercial register (of joint stock company or a limited liability company) in the Kingdom, provided that its validity period is not less than three months, including relevant activities..
- 6-3 Submitting a financial letter of identification issued from a Saudi bank or an international bank, while it is approved by Saudi Central Bank. Such letter shall confirm that the applicant will be entitled to the sufficient finance to implement the action plan submitted to CST.
- 6-4 Submitting data of the entity and the entity's representative.
- 6-5 Submitting details of ownership structure and the entity's overview.
- 6-6 Submitting action plan, provided that it includes the following:
  - 6-6-1 Corporate Strategy: Submitting a high-level strategy and the extent of its contribution to advancing development of telecommunication market in the Kingdom.
  - 6-6-2 Market Study: Market forecasts and sections and revenue volume in the first three years.
  - 6-6-3 Subscriber care service plan, post-sale services, proposed service levels of relevance and continuing development plan to ensure quality of services.
  - 6-6-4 Services: They include the applicant's services planned to be provided, products, services or target sectors, timing of provision of such services and the approach proposed by the applicant to provide the introduced services.
  - 6-6-5 Organizational Structure: It includes management, marketing, finance, information security, organizational issues and compliance, sales, subscriber care service, operations and technical support.



- 6-7 The technical plan shall be submitted, provided that it includes the following:
  - 6-7-1 Date proposed for service go-live.
  - 6-7-2 Description and design of any infrastructure, system and planned processes, provided including the following details:
    - 6-7-2-1 Processes of technological integration with the service provider.
    - 6-7-2-2 Mechanism of service provision to the users via the E-Platform.
    - 6-7-2-3 Mechanism of collecting sale amounts between Cybermediary and service provider.
- 6-8 Submitting a copy of the initial agreement for Mediation Practices of Electronic Telecommunications Services Provision with the service provider with whom contracts will be. That document shall be submitted in Arabic, but it may be accompanied with translation into English or the original English version.
- 6-9 All required documents and information shall be submitted in Arabic. In addition, the supporting documents (if any) may be submitted in English.
- 6-10 Paying the fees set out in Section (7) through SADAD System within one month as of the date of invoicing.
- 6-11 In case of desire to renew the Registration, CST shall be provided with the necessary requirements set out in Section (6) hereof, noting that the renewal is available six month before expiry of Registration.

## **7 Registration Fees:**

- 7-1 CST shall be entitled to impose fees when issuing Registration.
- 7-2 CST shall be entitled to impose fees when renewing Registration.
- 7-3 CST shall be entitled to impose annual fees payable by the Registered.

## **8 Duration of Registration:**

- 8-1 The Registration shall be valid for (5) five years as of the date of issuance. In addition, the Registration may be renewed for a similar term.

## **9 General Provisions:**

- 9-1 Registration application approval is subject to CST sole discretion.
- 9-2 CST shall be entitled to determine the number of Registration holders for Mediation Practices of Electronic Telecommunications Services Provision, and set competitive or qualifying procedures and conditions that are consistent with its regulations.
- 9-3 CST may, at its sole discretion and in realization of ICT sector objectives, exempt whoever it deems appropriate from the requirements for obtaining Registration.
- 9-4 CST shall be entitled to cancel registration if the Cybermediary does not initiate mediation services for providing electronic telecommunications Services within six months from the date of registration.
- 9-5 CST may cancel or suspend Registration as per its regulations. In addition, CST may cancel or suspend the Registration if the Registered refrains from rendering the service for one year, even at separate intervals.
- 9-6 CST may request the Registered to provide more information, clarifications, or periodic reports.
- 9-7 CST may publish the names of registered companies to engage in mediation services for providing electronic telecommunications Services on its website.
- 9-8 These Regulations are subject to CST periodic review, subject to update as CST deems appropriate in accordance with its regulations. Updates shall be approved by CST Governor.
- 9-9 Cybermediary and service provider shall comply with the conditions and limits of sale of telecommunication cards set out in ("Conditions for Provision of ICT Services and Rights and Obligations of Users and Service Providers" document) in order to limit cases of fraud practiced through sale of telecommunication services via the E-Platform.
- 9-10 Cybermediary and service provider shall comply with (Regulations on the Protection of Rights of ICT Services' Users) according to the scope of work of Mediation Practices of Electronic Telecommunications Services Provision.
- 9-11 The service provider shall comply with all terms and conditions set out in ("Conditions for Provision of ICT Services and Rights and Obligations of Users and Service Providers" document) according to the scope of work of the contract with Cybermediary in order to provide telecommunication services, including the process of documentation, establishment and activation of telecommunication cards, bundles, telecommunication services to the beneficiaries and informing Cybermediary of the result of documentation before the process of sale.
- 9-12 Compliance with provision of these Regulations shall not prejudice any other obligations set forth in the laws and regulations applicable in the Kingdom.

- 9-13 Cybermediary shall set the appropriate internal controls and procedures to ensure compliance with these rules. In case of contracting with third parties to provide services related to Mediation Practices of Electronic Telecommunication Services Provision, Cybermediary shall ensure that all parties comply with these Regulations and the relevant regulations and resolutions issued by CST.
- 9-14 Cybermediary shall maintain sufficient electronic logs that clarify the extent of its compliance with these Regulations and the relevant laws and resolutions, including, but not limited to, maintaining action plan of the electronic mediation processes and supporting documents for their implementation, outsourcing contracts and contracts for hosting websites on the internet.
- 9-15 The service provider shall keep any contracts, logs, documents or invoices for no less than (12) months according to the obligations set out in Article 26 of (Regulations on the Protection of Rights of ICT Services' Users) document.
- 9-16 Cybermediary shall be responsible for taking all necessary measures to protect its information assets, the information of service providers and the information of service providers' users, and for protecting its confidentiality and periodically verifying its readiness to prevent cybersecurity incidents.
- 9-17 Cybermediary shall publish these Regulations and any other regulations or resolutions regulating its business on the E-Platform.
- 9-18 Failure to comply with requirements of these Regulations shall be considered a violation of Telecommunications Act and its implementing regulations, and shall cause the violator subject to the legal penalties.



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