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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations set out the procedure that will apply to the grant of wireless telegraphy licences at frequencies which are set out in Schedule 1.

To apply, a body corporate must deliver the documents required by regulation 4(3) to the Office of Communications (“OFCOM”) on a day specified by OFCOM. The documents must give details of the existing spectrum holdings of the applicant and others listed in regulations 4(3)(a)(iii). An initial deposit of one hundred thousand pounds must be paid to OFCOM (regulation 4(3)(b)). OFCOM will determine which applicants are fit to hold a licence, taking into account the matters set out in regulation 10(2). If not disqualified, and if there is no member of its bidder group which is also a member of another bidder group, an applicant shall be qualified to participate (regulation 11(1)).

After giving applicants an opportunity to withdraw, OFCOM will determine the number of bidders (regulation 14), an additional deposit may be paid (regulation 15) and OFCOM will determine an eligibility limit (a term defined in the Regulations) by reference to sums paid on deposit. This limits the bids that can be made.

A further limitation on bids which can be made will also apply to a bidder in the form of an overall bid constraint (this term is defined in the Regulations). The constraint may be different for each bidder and they are to be determined by reference to existing spectrum holdings (regulation 18).

The first stage, called the principal stage, involves one or more rounds of bidding. The round prices for the first round are set out in regulation 24 and OFCOM will determine the round prices for each subsequent round (regulations 25, 26, 27 and 28).

The winning principal stage bids are determined by OFCOM in accordance with regulation 33 by reference to bids which are determined to have standing high bid status (this is a defined term).

The second stage, called the assignment stage, is set out in Parts 6, 7 and 8. This procedure determines the frequencies which will be assigned to each winning bidder. This is determined through a further round of bidding and there is also an opportunity for winning bidders of 3.6 GHz lots to agree during a fixed negotiation period which blocks of the particular frequency lots will be assigned to each of these bidders.

The third stage, called the grant stage, is the procedure set out in Part 9. OFCOM will grant licences to winning bidders and refund any sums due to winning bidders (regulations 117 to 119). If, in relation to an applicant which is qualified to bid or a bidder, OFCOM is satisfied that certain events are occurring or have occurred and that the occurrence would materially affect the outcome of the award process, the applicant or bidder concerned will forfeit sums on deposit held by OFCOM and may be excluded from the award process (regulation 122).

A full regulatory impact assessment of the effect of these Regulations has been prepared. Copies of the impact assessment and guidance are available to the public from the OFCOM library at Riverside House, 2a Southwark Bridge Road, London SE1 9HA telephone 020 7981 3000 or on the OFCOM website at [www.ofcom.org.uk](http://www.ofcom.org.uk). Copies of the impact assessment and guidance have also been placed in the libraries of the Houses of Parliament.

**Changes to legislation:**

There are currently no known outstanding effects for the The Wireless Telegraphy (Licence Award) Regulations 2020.