

GOVERNMENT OF PAKISTAN
MINISTRY OF INFORMATION TECHNOLOGY & TELECOMMUNICATION

DIGITAL NATION PAKISTAN

File No. 4-7/2023-DT

Islamabad, the January 06, 2026

SUBJECT: POLICY DIRECTIVE FOR IMT SPECTRUM AUCTION FOR IMPROVEMENT OF NEXT GENERATION MOBILE SERVICES IN PAKISTAN

The exponential growth in broadband subscribers to over 152 million and the accelerated digital transformation inspired by the Digital Nation Pakistan vision have significantly increased the demand for high-speed mobile broadband services in Pakistan. To meet this demand and ensure the optimal utilization of radio frequency spectrum, a scarce and valuable national resource, portions of radio spectrum in the 700 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2600 MHz and 3500 MHz bands have been made available for auction. The frequency spectrum must be used in the best public interest and in conformity with Pakistan's international obligations and treaties governing radio communications, including those applicable to IMT and beyond technologies.

2. The spectrum auctions for Next Generation Mobile Services (NGMS) in Pakistan were earlier conducted in 2014, 2016, 2017 and 2021 under the Policy Directives issued by the Federal Government. Consequently, paired spectrum in the 850 MHz, 1800 MHz and 2100 MHz bands were auctioned and assigned to the Cellular Mobile Operators (CMOs).

3. After considering the recommendations of the Advisory Committee (constituted by the Federal Government vide 1-1/2023-DT dated 6th Nov 2023, amended vide 4-7/2023-DT 28 June 2024 and 26 August 2025) based on the inputs from independent international Consultant, Federal Government in exercise of powers conferred under section 8 of the Pakistan Telecommunication Re-organisation Act (the Act), hereby issues the following policy directive for auctioning the available radio frequency spectrum in 700MHz, 1800MHz, 2100MHz, 2300MHz, 2600MHz and 3500MHz bands for compliance by the Pakistan Telecommunication Authority (PTA):

- a. A transparent, competitive process shall be carried out by the PTA for auctioning 15 MHz paired spectrum in the 700 MHz band, 3.6 MHz paired spectrum in the 1800 MHz band, 20 MHz paired spectrum in the 2100 MHz band, 50 MHz unpaired spectrum in the 2300 MHz band, 190 MHz unpaired spectrum in the 2600 MHz band and 280 MHz unpaired spectrum in the 3500 MHz band.

- b. Post spectrum auction, all existing CMOs will be required, within a reasonable time as determined by PTA, to comply with the rationalization plan as may be issued by the PTA in consultation with FAB to ensure the optimal utilization of contiguous spectrum holdings in 1800 MHz and 2100 MHz bands.
- c. PTA shall issue an Information Memorandum specifying therein the detailed procedure of the auction, including eligibility criteria and steps for participating in the auction process. The auction will be accordingly conducted by PTA in minimum reasonable time after issuance of this Policy Directive.
- d. The spectrum assignment will be technology-neutral and usable for all existing and upcoming advanced generations/technologies within the applicable GoP policy framework.
- e. Existing CMOs as well as new entrants are eligible to participate in this auction subject to an overall spectrum cap of 40% of total spectrum available post auction and a cap of 55 MHz (2 x 27.5) on aggregate low band IMT spectrum holdings, i.e. 700 MHz + 850 MHz + 900 MHz (including existing spectrum and spectrum acquired in the auction). Further band specific caps of 140 MHz in 2600 MHz band and 200 MHz in 3500 MHz band are also applicable.
- f. Base prices for various spectrum bands are as under:
 - i. 1 MHz paired spectrum in 700 MHz is USD 6.5 million
 - ii. 1 MHz paired spectrum in 1800 MHz is USD 14 million
 - iii. 1 MHz paired spectrum in 2100 MHz is USD 14 million
 - iv. 1 MHz unpaired spectrum in 2300 MHz is USD 1 million
 - v. 1 MHz unpaired spectrum in 2600 MHz is USD 1.25 million
 - vi. 1 MHz unpaired spectrum in 3500 MHz is USD 0.65 million
- g. The spectrum fee shall be set in the license in equivalent Pak Rupees. For USD-PKR conversion, National Bank of Pakistan (NBP) TT selling rate prevailing on the date preceding the date of spectrum auction shall be locked/used.
- h. Payment terms shall be as under:
 - i. Moratorium Period

A one (01) year moratorium shall be allowed from the date of issuance of license, during which no payment shall be payable nor markup shall accrue during this period.
 - ii. Payment Options (Post-Moratorium)

Upon expiry of the one-year moratorium, the licensee shall opt for either of the following payment options:

a. Full Upfront Payment

100% spectrum fee shall be payable latest by 1st anniversary of the license issuance date.

OR

b. Deferred Payment Option

- Minimum fifty percent (50%) shall be payable latest by 1st anniversary of the license issuance date.
- The remaining fifty percent (50%) shall be payable in five (05) equal annual instalments, from 2nd anniversary of the license issuance date;
- The deferred amount shall carry a cumulative mark-up at the rate of one-year KIBOR Offer rate + 3% per annum, where KIBOR shall mean the one-year Karachi Interbank Offered Rate as published by the State Bank of Pakistan.
- For calculation of markup for the 1st instalment, the one-year KIBOR prevailing at the 1st anniversary of license issuance date shall be used. For subsequent years, the one-year KIBOR prevailing on the payment date of previous (last year's) instalment shall be used.

- i. Moreover, if auction winner intends to pay the remaining balance liability or part thereof on account of initial spectrum fee at any time before the end of 5 years, it would be acceptable and without any pre-payment penalties. However, mark-up at the rate KIBOR + 3% shall be payable on the balance amount till the date the final payment is made.
- j. A new license will be issued for a period of 15 years to successful bidder(s) for the spectrum won in this auction.
- k. Provisions for Spectrum Trading/ Spectrum Sharing as per the approved regulatory framework will be incorporated in the licenses.
- l. Terms and conditions relating to phased NGMS network rollout (based on number of cities, sites, Fiber to the Towers etc) along with enhanced Quality of Service (QoS) standards, shall be suitably incorporated by PTA in the license(s), as recommended by the Advisory Committee, to enhance Mobile Broadband proliferation and improve QoS in the country.
- m. Existing CMOs who participate and win spectrum in this auction, will have their ongoing network rollout obligations replaced with new obligations along with associated financial instruments, as per mechanism explained in IM.

- n. Following measures be undertaken by the Federal Government in consultation with relevant stakeholders to reform the telecom sector:
- i. Reviewing the 2020 Rolling Spectrum Strategy and consider releasing over 1,000 MHz of low and mid-band spectrum well before 2030.
 - ii. Facilitating infrastructure sharing to enhance the tenancy ratio.
 - iii. Leveraging existing USF-funded infrastructure to improve efficiency and expand fiber backhaul.
 - iv. Enabling smartphone upgrades (5G) through reduction in taxation and promotion of local manufacturing to improve affordability. Duty free import of 5G equipment to accelerate adoption.
 - v. Review the licensing framework for promoting investment, improving ease of doing business and customer experience in light of global best practices.
 - vi. Improving telecom sector health to promote investment in the digital infrastructure development
 - vii. A joint task force comprising representatives from MOIT&T, MOE (Power Division), NEPRA, PTA, telecom operators and power distribution companies be constituted to examine and implement industrial power tariff for the telecom sector, smart grid solutions and dedicated power feeders to mitigate prolonged power outages.
4. This is issued with approval of the Federal Government.

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(Muhammad Jahanzeb Rahim)

Member (Telecom)

Chairman, Pakistan Telecommunication Authority, Islamabad.