

TARIFF CATEGORY/PARTICULARS	Fixed Charges Rs/kW/Month	Energy Charges Ps/kWh	F.A.S Ps/kWh	Additional Surcharge Ps/kWh
(1)	(2)	(3)	(4)	(5)
Fixed Line Charges Per Month Per Mile				Rs
(i) Where the entire capital cost in laying street lighting supply line, which is exclusively meant for street lighting is borne by the Corporation.				253
(ii) Where the entire capital cost in laying street lighting supply line, which is exclusively meant for street lighting is borne by the Consumer.				23
(iii) Where the entire capital cost in laying street lighting supply line, over the existing Distribution System is borne by the Corporation.				158
(iv) Where the entire capital cost in laying street lighting supply line, over the existing Distribution System is borne by the Consumer.				33
(v) For street lighting supply through underground cables.				Rates to be negotiated
RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES (TARIFF-H)				
Consumers having their own transformers -		145	40	426
Consumers not having their own transformers. -		146	40	428

[F. No.PIII.3(2)/2004/Vol-IV.]

FAIZ UR RAHMAN,
Section Officer (PIII).

MINISTRY OF INFORMATION TECHNOLOGY
(Information Technology And Telecommunication Division)

Islamabad, the 1st November, 2006

S. R. O. 1132 (I)/2006.—In exercise of the powers conferred by clause (ab) of Sub Section (2) of section 57 of the Pakistan Telecommunication (Re-organisation) Act 1996, XVII of 1996 read with Section 33-A thereof, the Federal Government is pleased to make the following rules for administering and managing the Universal Service Fund, namely:—

CHAPTER I

PRELIMINARY

1. **Short title and commencement.**—(1) These rules may be called the Universal Service Fund Rules, 2006.

(2) They shall come into force at once.

2. **Definitions.**—(1) In these rules, unless there is anything repugnant in the subject or context,—

- (i) “Act” means Pakistan Telecommunication (Re-organisation) Act 1996 (XVII of 1996);
- (ii) “AP Rules” means the Access Promotion Rules 2004;
- (iii) “Auditor General” means Auditor-General of Pakistan appointed under Article 168 of the Constitution of the Islamic Republic of Pakistan;
- (iv) “Board” means the Board of Directors of the USF company;
- (v) “CEO” means the Chief Executive Officer of the USF company;
- (vi) “Chairman” means the Chairman of the Board;
- (vii) “contractor” means the successful bidder who has been awarded contract for a lot or project or special project;
- (viii) “Controller General of Accounts” means the Controller General of Accounts appointed under the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001 (XXIV of 2001);
- (ix) “electronic services” mean services provided through electronic means;
- (x) “essential facility” means a facility associated with a telecommunication system or telecommunication service that is supplied exclusively or predominantly by a single or a limited number of operators, and that cannot reasonably be substituted by other operator for economic or technical reasons;
- (xi) “flat subsidy” means the reserve price for any lot or project announced for the purpose of auction and given to single licensee registered for auction;
- (xii) “Fund” means Universal Service Fund established under section-33 A of the Act;
- (xiii) “Fund income” means income received by the Fund or generated from the Fund and may include grants from international Boardies, public

and private sector mentioned in sub-Section (4) of Section 33 A of the Act;

- (xiv) "infrastructure" means the infrastructure necessary for providing telecommunication services and includes earth station, satellite hub, optic fibre cables, radio communications links, switching facilities, transmission systems, submarine cable, antenna, towers, mast, poles, ducts, pits, right of way, electrical power, air conditioning, space in exchange/room and such other infrastructure as the Authority may prescribe by Regulation;
- (xv) "licensee" means for the purpose of these rules, the grantee or holder of a licence issued, renewed or validated by the Authority and is a USF contributor;
- (xvi) "lot" means a geographical area identified for the grant of funding from the Fund and shall not be smaller than a village or larger than a telecom region created by the Authority;
- (xvii) "Ordinance" means the Companies Ordinance 1984, (XLVII of 1984);
- (xviii) "procedural manual" means a manual containing detailed procedures for the functioning of the USF company and the Fund approved by the Board;
- (xix) "project" means a plan prepared for a lot before the auction mentioning adequate detail of the telecommunication system and telecommunication service required to be provided in the lot with a reserve price for auction calculated on the basis of net capital cost;
- (xx) "PSEB" means Pakistan Software Export Board (Guarantee) Limited;
- (xxi) "special project" means any plan prepared before grant of contract, independent of a lot, and prepared in a suitable manner mentioning adequate detail of the telecommunication services, telecommunication systems or electronic services required to be provided to large public in the unserved and underserved areas with a reserve price;
- (xxii) "universal service" means provision or coverage of telecommunication service including at least voice and data to the whole population of Pakistan;
- (xxiii) "unserved area" means a lot having no coverage or provision of any telecommunication service;

- (xxiv) "underserved area" means a lot not having adequate coverage or provision of voice and data telecommunication services as determined by the Federal Government from time to time, except in some parts of it;
- (xxv) "USF company" means a company limited by guarantee to be constituted under the Ordinance by the Federal Government to perform such duties and functions as may be assigned to it under these rules;
- (xxvi) "USF contribution" means contribution made by a licensee to the Fund at a percentage mentioned in rule 4; and
- (xxvii) "USF Contributor" means a licensee making USF contribution as per its licence.

(2) The words and expressions used herein but not defined shall have the same meaning as are assigned to them in the Act and the Access Promotion Rules 2004.

CHAPTER II

MANAGEMENT AND CONTROL OF FUND

3. **Management and control of Fund.**—(1) The Federal Government shall have the possession, management and control of the Fund, its income, undertakings, properties and assets.

(2) The Fund and all accretions thereto from time to time shall be held in a bank account opened and maintained in the name of the Federal Government with a scheduled bank as the Federal Government may from time to time, determine;

(3) The USF contributions shall be credited directly to the Fund account by the licensees or in any manner as the Federal Government may determine.

(4) The Authority shall monitor and enforce the obligations of the relevant licensees to make the USF contributions in a timely and proper manner.

(5) The Federal Government may;

(a) maintain proper books of account for the Fund;

(b) have custody of the account books, cheque books, securities, investment instruments and other documents and papers pertaining to the Fund and the Fund Account;

- (c) determine, make, monitor and liquidate investments and make reinvestments of surplus sums standing to the credit of the Fund account;
- (d) make shall make quarterly releases to the USF company as per the approved budget of USF not later than fourteen days before the commencement of each quarter;
- (e) nominate one or more signatories to the Fund Account;
- (f) address all matters related to the audit of the Fund; and
- (g) co-ordinate with relevant licensees and the Authority on matters related to contributions to the Fund.

4. **The Fund.**—(1) The Fund shall consist of the amounts, grants and contributions provided in sub-section (4) of section 33A of the Act and includes proceeds of the Funds.

(2) Every licensee having a license containing provision regarding USF contribution,, issued, renewed or validated, shall contribute 1.5%, from date of grant of such license, of its annual gross revenues for the most recently completed financial year of the licensed services minus inter-operator and related Authority and Frequency Allocation Board mandated payments.

(3) The Federal Government may at any time reduce the percentage of the USF contribution but shall not increase it beyond 1.5% without consent of USF contributors.

(4) For the purpose of these rules the sale proceeds from the auction of the right to use radio spectrum as provided in sub-section (4) of section 33A of the Act shall include the remaining instalments of such sale proceeds yet to be paid by licensees and the renewal fee to be paid by remaining mobile cellular licensees benchmarked on the basis of auction price of the two mobile cellular licenses in the year 2004 for renewal of their licensees after the said auction.

5. **Collection of USF contribution.**—(1) The Federal Government may require licensees directly to deposit USF contributions, within the period prescribed in their licences or may require them to deposit USF contribution on quarterly basis during the running financial year on estimated annual gross revenues subject to adjustments at the end of the financial year, and APC for USF in accordance with AP Rules or direct Authority to collect and remit USF contribution and APC for USF to the Fund's designated account without any deduction within one month of receipt.

(2) The prescribed contribution shall be credited directly to the USF Account by the relevant licensees.

(3) The Authority shall monitor and enforce the obligation of the relevant licences to make the prescribed contributions in a timely and proper manner in case the Authority collects any prescribed contribution directly from the licensees then the Authority will channelize that amount directly to the Fund's designated account within one month of receipt of that money.

(4) The Authority will make regulations in consultation with the Federal Government to prescribe procedure for collection and remittance of USF contribution and APC for USF.

6. **Utilization of Fund.**—(1) The amount credited to the Fund shall be utilized for:

- (a) provisioning of telecommunication services, telecommunication systems or electronic services for use in unserved and underserved areas of Pakistan;
- (b) meeting administrative budget of the USF company including salaries of the employees; and
- (c) any other act as approved by the Federal Government, but not inconsistent with the Act and these rules.

7. **Investment.**—The amounts from the Fund shall be invested only in Government risk free financial securities or schemes.

8. **Operation of Fund.**—(1) The accounts of the Fund shall be operated by the Secretary Information Technology or his nominee.

(2) The account of the Fund shall be prepared and maintained in accordance with the guidelines laid down by the Controller General of Accounts under clause (d) of section 5 of the Controller General of Accounts (Appointment, Function and Power) Ordinance, 2001 (XXIV of 2001) and shall be audited each year by the Auditor General of Pakistan.

(3) The books of accounts of the Fund shall be kept at the Information Technology and Telecommunication Division or at such other place as the Federal Government deems appropriate, and shall always be open for inspection by the members of the Board and licensees.

9. **Audit.**—The accounts of Fund shall be audited bi-annually by a Chartered Accountant as defined in the Chartered Accountants Ordinance 1961 (X of 1961), and annually by the Auditor-General of Pakistan.

CHAPTER-III

USF COMPANY

10. **Creation of USF company.**—(1) The Federal Government shall within sixty days of the commencement of these rules cause incorporation of a USF company limited by guarantee in accordance with the Ordinance. The Federal Government may within seven days of such incorporation transfer an amount of fifty million rupees in the account of USF company to enable it to meet its initial needs and capital expenditure.

(2) The Secretary, Information Technology, and two officers of the Federal Government nominated by the Secretary shall subscribe their names to the memorandum and articles of association of the company.

11. **Composition of the Board.**—(1) The Board shall consist of the following, namely:—

- | | |
|---|----------------------|
| (a) Minister for Information Technology; | <i>Chairman</i> |
| (b) Secretary Information Technology; | <i>Vice-Chairman</i> |
| (c) Member Telecom, Ministry of Information Technology; | <i>Member</i> |
| (d) Chairman of the Authority; | <i>Member</i> |
| (e) Nominee of fixed-line licensees; | <i>Member</i> |
| (f) Nominee of mobile cellular licensees; | <i>Member</i> |
| (g) Nominee of data licensees; | <i>Member</i> |
| (h) Representative of consumer groups; and | <i>Member</i> |
| (i) Chief Executive Officer; | <i>Member</i> |

(2) The Secretary of the USF Company shall also act as Secretary of the Board.

(3) The Board shall regulate its own procedures in accordance with the provisions of the Ordinance and memorandum and articles of association of the company.

(4) The Federal Government may increase the number of members of the Board at any time by following the procedure mentioned in the Ordinance, however while doing so it shall have to keep the representation of licensees proportionate to their representation provided in sub-rule (3).

12. **Appointment and tenure of members.**—(1) The members representing licensees and consumer groups in the Board shall be nominated by the Federal Government.

(2) The Federal Government shall nominate any registered Body having mandate to watch consumers' interest but having no interest or control of Federal, Provincial or local Governments for the positions mentioned in sub-rule (2) of rule 10.

(3) The tenure of the members of the Board shall be in accordance with the provisions of the Ordinance.

13. **Meetings.**—Notwithstanding anything contained in the Ordinance, the meeting for transaction of business of the Board shall be held at least quarterly in a financial year.

14. **Quorum.**—Quorum for transaction of business for the Board meeting shall be as per its articles of association including at least one member representing licensees.

15. **Powers of the Board.**—(1) The Board shall have the full powers to efficiently administer and manage the affairs of the USF company.

(2) Without prejudice to the generality of the forgoing powers, the Board may,—

(a) authorize CEO and one more signatory to open one or more bank account of the USF company;

(b) draw or authorize to draw amounts from the bank accounts of the USF company;

- (c) verify annual and half-yearly accounts of the USF company;
- (d) approve investment policy and schemes for investment of the Fund in the Government risk free financial securities and schemes only;
- (e) evolve policies for operation and working of the USF company and incorporate these in the procedure manual;
- (f) prepare and approve procedural manual for effective working of the USF company;
- (g) approve annual budget of the Fund, request Federal Government for quarterly releases from the annual budget of the Fund and provide guidelines for financial controls;
- (h) allocate and approve budget for the USF company;
- (i) create committees of the Board and approve their charters;
- (j) create an advisory council for seeking guidance and approve its membership and term of reference;
- (k) propose changes in the USF policy of the Federal Government;
- (l) delegate such of its powers and functions to the Chairman, committee of the Board or CEO, as it may consider necessary for the efficient working of the USF company;
- (m) identify and lay-down criteria for selection and creation of lots and determine suitability of projects for allocation of funds;
- (n) set goals for provision of universal service;
- (o) oversee, examine, evaluate, approve or review projects;
- (p) request the Federal Government and the Authority to lend support staff or officers, as the case may be, on deputation;
- (q) appoint employees of the USF company and set their salaries and terms and conditions of the employment;
- (r) engage and remove consultants and advisors as may be determined;
- (s) fix extra remuneration & benefit for the deputationist.

- (t) ensure transparency and accountability in the processes;
- (u) assist Federal Government in preparing annual statutory reports;
- (v) commission independent audits and publish such audit reports;
- (w) request the Authority to furnish details about amounts received from licensees for Fund for any specific period; and
- (x) perform such other functions as the Federal Government may, from time to time, assign to it not inconsistent with the provisions of the Act and these rules.

16. **Budget.**—(1) The Board shall, in respect of each financial year, prepare and approve its budget. The Board shall also prepare budget of the Fund and submit it for approval of the Federal Government.

(2) Both the budget statements shall specifically state the estimated receipts and expenditure and the sums which are likely to be required by the Fund from the Federal Government and by the USF company from the Fund for each financial year:

Provided that the annual budget of the USF company shall not exceed five percent of the total annual budget of the Fund for that financial year.

17. **Accounts of USF company.**—(1) The accounts of the USF company shall be operated jointly by the CEO and one officer of the USF company as directed by the Board.

(2) The accounts of the Company shall be maintained in accordance with the provisions of the Companies Ordinance 1984 (XLVII of 1984) and shall be audited annually in accordance with the provisions of the said ordinance.

(3) The books of accounts of the USF company shall be kept at the Secretariat of the USF company or at such other place as the Board deems appropriate, and shall always be open for inspection by the members of the Board and licensees.

18. **Audit.**—The accounts of the USF company shall be audited bi-annually by a Chartered Accountant as defined in the Chartered Accountants Ordinance 1961 (X of 1961).

CHAPTER-IV

USF COMPANY SECRETARIAT

19. **USF company Secretariat.**—(1) The Board shall establish a separate and independent Secretariat for the USF company and determine its staffing structure to implement policies, procedures and processes as may be proposed by the Board;

(2) The Secretariat shall be headed by the CEO.

20. **Structure and guidelines.**—(1) The structure and strength of the Secretariat, qualification and job description of the employees shall be as per structure approved by the Board from time to time.

(2) The Board shall also provide detailed guidelines to the employees of the USF company regarding various functions to be performed by the USF company and its employees in the procedural manual.

21. **CEO.**—(1) The Board shall have the power to appoint and remove the CEO in accordance with the provisions of the Ordinance. The Board may determine the terms and conditions including remuneration of the CEO, as it may consider appropriate.

(2) The first CEO may be interviewed, selected and appointed by the Federal Government subject to the approval of the Board and his tenure shall start from the date of approval of the Board.

22. **Powers and functions of CEO.**—The CEO shall have the following powers and functions subject to the approval of the Board, namely:—

- (a) to exercise all administrative and financial powers as may be delegated by the Board;
- (b) to make arrangements for convening meetings of the Board;
- (c) to ensure that the provisions of , the Act, Ordinance and these rules are faithfully observed;
- (d) to take necessary action, not within his power, in situations requiring immediate action and report it to the Board, as the case may be, for *post facto* approval;
- (e) to incur contingent expenditure up to one million rupees from within the approved budget;

- (f) to exercise powers of controlling officer for travelling and daily allowance bills in respect of himself and employees of the USF company;
- (g) widely disseminate the purpose and objectives of the Fund;
- (h) invite proposals for projects through public advertisements;
- (i) to ensure that the annual establishment charges shall not exceed five percent of the total annual budget of Fund;
- (j) to prepare schemes for investment of the Fund for generating income;
- (k) to purchase, sell, endorse, transfer, negotiate or otherwise deal in risk free financial securities and schemes of the Federal Government as per investment policy of the Board;
- (l) to enter into contracts, agreements and arrangements and execute necessary documents;
- (m) to open current, fixed, overdraft, loan, cash, credit or other accounts in local or foreign currency, jointly with another officer, with any bank within Pakistan as may be necessary and deposit into or draw money from such accounts with the approval of the Board;
- (n) to cause the preparation and submission of annual and half-yearly accounts of the USF company within the prescribed period;
- (o) to appoint advisors, consultants, accountants, auditors and other employees of the USF company on such terms and conditions as may be approved by the Board;
- (p) to do any act that is necessary for efficient management of the USF company as required by the Board from time to time in line with the provisions of the Act, Ordinance and these rules;
- (q) for the purpose of ensuring efficient functioning of the USF company, delegate such of his above mentioned powers or functions, excluding operation of the USF company and its income, to one or more of his officers as considered necessary subject to the prior approval of the Board; and
- (r) to discharge any other function as may be authorized by the Board.

CHAPTER-V

PROJECTS AND RELEASE OF FUNDS

23. **Preparation of the projects.**—(1) An officer of the USF company designated for projects shall prepare detailed plan for each lot showing requirement of telecommunication system and telecommunication services for the lot including eligible costs and shall also prescribe a reserve price for the lot in accordance with the USF policy.

(2) The officer shall prepare detailed plan for each special project showing requirement of telecommunication system, telecommunication services or electronic services including eligible costs and shall also prescribe a reserve price in accordance with the USF policy. In case of preparing a special project every effort shall be made to put it to auction, provided that if auction is not possible because of the nature of the special project then detailed reasons to that effect shall be given with detail of the mode and manner of its grant.

(3) The officer preparing the projects or special projects may seek assistance of any public or private entity and the residents of the lot. Any public or private entity, licensee, consumer group or any resident of the lot may also submit a project or special project to the officer.

(4) After preparation of the project or special project the same shall be submitted to the Board by the CEO, which may approve the project or special project with or without modifications.

24. **Reverse auction for projects.**—(1) The project, after its approval by the Board, shall be advertised for open reverse auction.

(2) In the open reverse auction only USF contributors shall be eligible to participate having valid license for the relevant region and telecommunication service. The CEO may disqualify any USF contributor to take part in auction if the USF contributor:—

- (a) is a defaulter in payment of USF contribution;
- (b) has failed to complete previously granted contract; or
- (c) made a successful bid but failed to execute the contract:

Provided that a non-licensee can be eligible for applying and bidding for special projects relating to electronic services, if it is either a licensee

or an entity registered with PSEB. The public sector entities shall be eligible for special projects relating to telecommunication services or systems, if such system or service does not require licence from the Authority.

(3) The advertisement for auction shall be published at least in one English and one Urdu national daily newspaper in addition to the website of USF company, containing all terms and conditions of auction, date, time and venue of auction, not inconsistent with the Act and these rules.

(4) The advertisement for auction shall be published at least ninety days before the proposed date of auction. All eligible licensees shall be required to register for the auction at least three days before the auction with an amount equal to five per cent of the reserve price in the shape of demand draft in the name of the USF company.

(5) The auction shall be conducted by an auction committee to be constituted by the Board having at least three employees of the USF company, headed by an officer of the USF company designated for conducting auctions.

(6) Before the start of the auction for a lot, the head of the auction committee shall inform participants about the lot, project and the reserve price. All registered licensees shall then be asked to offer their bids lower than the reserve price and the lowest bid received in the auction shall be placed, by the auction committee with the recommendations, before the CEO for approval.

(7) The auction committee may recommend cancellation of auction or rejection of the lowest bid received on the ground that all or some bidders have made a cartel, which may or has resulted in a high bid.

(8) Where one qualified bidder has been registered for the auction of a lot of project then instead of holding auction, he would be offered flat subsidy subject to approval of the Board and for the purposes of these rules he shall be considered a successful bidder.

(9) The demand draft of the unsuccessful bidder shall be returned at the end of the auction except the demand draft of the second lowest bidder. The demand draft of the successful bidder and second lowest bidder shall be returned after the execution of the contract with either of them, provided that if the successful bidder fails to submit ban guarantee within stipulated period, his demand draft shall be forfeited and offer shall be made to the second lowest bidder. The second lowest bidder shall then be considered a successful bidder for the purpose of these rules.

(10) The CEO may accept or reject the bid received from the successful bidder in the auction. In case of rejection, he shall to give reasons for such rejection.

(11) If a lot receives no bid in three consecutive auctions then the CEO may offer the project with the same reserve price to any licensee including non-USF contributing licensee or may submit revised project to the Board for approval.

(12) No licensee shall be allowed to win auctions for more than fifty per cent of the total lots in a telecommunication region created by the Authority.

25. Consortium.—(1) Consortium may be allowed to bid for projects and lot with a leader executing contract and accepting responsibility on behalf of all members of the consortium. The Consortium shall not consist of more than one licensee having similar type of license.

(2) For the purposes of these rules leader of the consortium shall be considered as bidder representing the consortium while giving details of the consortium members required by the auction committee. Other members of the consortium may enter into contractual arrangements with their leader before or after auction but the leader of the Consortium; if successful in auction, shall not be allowed to change the composition of the consortium during the validity of the contract without prior permission in writing of the CEO:

Provided that a non-contributing licensee having licensed to provide voice shall not be allowed to become part of a consortium but a non-contributing non-voice licensee or a non-licensee may be part of the consortium.

(3) The consortium arrangement shall not absolve its leader as contractor from its obligations under the contract.

(4) The leader of the consortium, before registering for the auction, shall make sure that the members of the consortium collectively have the capability to provide required telecommunication system and services for the lot and project.

26. Award of contract.—(1) After the approval of the bid the successful bidder shall be required to submit bank guarantee equal to his bid amount within ten days of the approval of the bid in case the contract has roll-out obligations for three years and to submit bank guarantee equal to the instalment of his bid amount to be released by USF company within ten days of the approval of the bid in case the contract has roll-out obligations for five years.

(2) After the submission of the appropriate bank guarantee, as provided in sub-rule (1), the successful bidder shall be required to execute standard contract and start working on the project to complete roll-out in a maximum period of three or

five years, as the case may be. Any extension beyond three or five years for roll-out obligations, as the case may be, shall require fresh approval of the Board.

(3) The officer of the USF company designated for disbursements shall, within fifteen days of the execution of the contract, release appropriate amount mentioned in the contract to the contractor through cross-cheque. No tax shall be deducted on such disbursement or release unless required by law for the time being in force. In case of release in instalments, the contract shall clearly mention the dates of further releases.

(4) In addition to any other information relating to the lot and project required by the USF company, the contractor shall submit to the CEO, quarterly and annual progress reports.

(5) After completion of the project, the Contractor shall submit final report with evidence of completion of the project. The periodical as well as the final reports will be evaluated by the officer of USF company designated for monitoring.

(6) All the assets procured for the implementation of the project from the funded amount shall be deemed to be the property of the Federal Government.

27. Infrastructure and essential facilities sharing.—(1) Every contractor shall share the infrastructure and essential facilities developed through USF funding with at least one non-significant market power USF contributor on first come first served basis on reasonable cost.

(2) The contractor shall not refuse to share the infrastructure and essential facilities developed through USF funding to any requesting licensee unless it is not technically feasible.

28. Tariff—(1) No contractor shall charge a higher tariff than its national or regional tariff for the services provided in the lot.

(2) The Federal Government may require the Authority to introduce an upper limit of tariff for the telecommunication services provided in the lot, even if the contractor is not a significant market power.

CHAPTER-VI

MONITORING AND ENFORCEMENT

29. Monitoring of projects.—(1) An officer of the USF company nominated for monitoring, shall arrange for onsite and offsite monitoring of projects to make sure that the funding is being utilized in accordance with the contract.

(2) For the purpose of monitoring the officer may require the assistance of the Authority or independent consultants who may be engaged by the Board under rule 14.

(3) If in view of the officer the performance of the contractor is not in accordance with the contract, he may refer the matter to the CEO, who shall proceed in accordance with terms of the contract including issuance of notices, termination of the contract, confiscating assets of the project or encashing the bank guarantee.

(4) In case a contract is terminated with under sub-rule (2) the CEO can order re-auction the project on "as is" basis at the risk and cost of the defaulting contractor.

30. **Penalties.**—(1) In addition to the remedies provided under the contract, the CEO may refer the matter of the defaulting contractor, through the Federal Government, to the Authority for taking action under section 23 of the Act.

(2) For the purposes of section 23 of the Act violation of contract shall be deemed to be violation of these rules.

31. **Appeal.**—Any licensee aggrieved by any decision or order of any employee of the USF company including CEO may, within thirty days of the receipt of the decision or order, prefer an appeal to the Board in such manner and on payment of the fee mentioned in the Procedure Manual. The Board or any of its designated committee shall decide such appeal within sixty days.

CHAPTER-VII

MISCELLANEOUS

32. **Data sharing.**—Every licensee, whether USF contributor or not, shall provide any data or information, reasonably required by the USF company for the performance of its duties, in the form and format reasonably required by the USF company. The CEO may make such requests through the Authority, which shall provide full assistance to the USF company and the CEO.

33. **Logo of Fund.**—The name and logo of the Fund shall be inscribed on the seal of the Fund and shall be affixed on all contracts executed.

34. **Winding up.**—(1) If the Federal Government decides that the USF company and Fund have achieved their targets,—

- (a) the Fund shall be denotified by the Federal Government and all money lying in the Fund shall be diverted to R&D Fund; and

(b) USF company shall be wound up in the manner prescribed for winding up in the Ordinance and all money lying with the USF company shall be transferred to R&D Fund;

(2) If R&D fund is no longer in existence, Federal Government shall determine an alternative mechanism for transferring the funds referred to in clauses (a) and (b) of sub-rule(1).

(3) Once the process of denotifying the Fund and winding up of USF company has started, the obligation of licensees to make USF contribution shall cease immediately.

35. Directions from the Federal Government.—(1) The Federal Government may, as and when it considers necessary, issue directives to the Board or the CEO on matters of policy, and such directives shall be implemented by the Board or the CEO, as the case may be.

[File No: F.1-101/2005- Dir (legal).]

MUHAMMAD RAFIQUE,
Section Officer.