

Arrangements for reassignment of spectrum in 2.5/2.6 GHz band and related spectrum utilization fee

The Communications Authority (CA) announced today (April 1) its decision to reassign 50 MHz of spectrum in the 2.5/2.6 GHz band by way of auction for the provision of public mobile services upon the expiry of its existing assignments. The Secretary for Commerce and Economic Development (SCED) also announced his decision on the method for determining the related spectrum utilization fee (SUF).

The existing assignments of the relevant spectrum are due to expire in May 2028. In arriving at the decisions about the reassignment arrangements of the spectrum and the related SUF, the CA and the SCED have considered thoroughly the views and comments received in the public consultation conducted between September and October last year.

"Spectrum in the 2.5/2.6 GHz band belongs to the mid-band spectrum within the 1-7 GHz range, which provides longer range propagation than the high-band spectrum above 7 GHz, and wider bandwidth than the low-band spectrum below 1 GHz, thereby meeting both network coverage and capacity demands. It possesses the potential to support mobile broadband services and other innovative applications adopting fourth generation, fifth generation mobile services or beyond," a spokesman for the CA said.

On the relevant SUF, the SCED decided to prescribe that it will be determined by auction, with the auction reserve price to be specified nearer the time of the auction after taking into account all relevant factors. To provide greater financial flexibility to spectrum assignees, the assignees will be given a choice to pay the SUF either by lump sum payment upfront or by annual instalments in the reassignment period of about 10 years and 10 months.

The Government needs to make necessary amendments to the relevant subsidiary legislation to provide legal basis for the reassignment arrangements and the decision to levy the SUF in relation to the above-mentioned spectrum. Subject to the completion of amendments to the relevant subsidiary legislation, the CA targets to conduct the auction in the fourth quarter of this year.

For details of the arrangements for the spectrum reassignment and the related SUF, please refer to the joint statement published by the [SCED](#) and the [CA](#) today.