

Conclusion of auction of radio spectrum in 6/7 GHz band

The Office of the Communications Authority (OFCA) announced today (November 29) that the auction of the radio spectrum in the 6/7 GHz band commenced from Monday (November 25) has completed. A total of 300 MHz of spectrum in the band was bid for by three mobile network operators at a total of spectrum utilization fees (SUFs) of \$630 million.

The results of the auction are listed in the table below:

| Frequency block | Frequency range (MHz) | Provisional successful bidder | SUF payable (\$) |
|-----------------|-----------------------|--|------------------|
| A1 – A5 | 6570 – 6670 | China Mobile Hong Kong Company Limited | 210,000,000 |
| A6 – A10 | 6670 – 6770 | Hong Kong Telecommunications (HKT) Limited | 210,000,000 |
| A11 – A15 | 6925 – 7025 | SmarTone Mobile Communications Limited | 210,000,000 |

"Hong Kong is the first in the world to conduct the auction of radio spectrum in the 6/7 GHz band for the provision of public mobile services. Being the largest remaining single block of mid-band spectrum for mobile services, the 6/7 GHz band will enable the deployment of fifth generation (5G) and, in the future, sixth generation (6G) mobile communications services, with high-speed and capacity vital to the future sustainable development of the digital economy and mobile broadband connectivity," a spokesman for OFCA said.

Benefitting from the amendments to the Inland Revenue Ordinance (Cap. 112), which came into effect in January this year, mobile network operators can enjoy full tax deductions for SUFs payable on radio spectrum acquired.

The provisional successful bidders are required to pay the SUFs as specified in the table above and submit performance bonds to guarantee compliance with network and service rollout requirements by January 15, 2025. The assignment of the spectrum will take effect on or before March 31, 2025, with a validity period of 15 years.