



Independent Communications Authority of South Africa
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CNL/0464/2012/INL/0464/2012

**DESMOND BAYLEY RAMSAY
T/A SAI
COMPLIANCE REPORT 2011/2012**

1. INTRODUCTION

The following report is intended to give an account of Desmond Bayley Ramsay ("Sai") compliance for the 2011/2012 financial year. Sai is required to comply with the Electronic Communications Act 36 of 2005 ("the Act"), applicable regulations and licence terms and conditions.

2. BACKGROUND

On 16 January 2009, the Authority issued Sai with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 0222/IECS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 0222/IECNS/JAN/09.

This Annual Compliance Report assesses Sai's compliance with its licence terms and conditions, the General Licence Fees Regulations ("ALF"), the Universal Service and Access Fund, Form 1 Standard Terms and Conditions. Sai's financial year end is **29 February**.

Below is an analysis of compliance with the abovementioned regulations.

3. DISCUSSION

3.1. COMPLIANCE PROCEDURE MANUAL REGULATIONS, 2011; FORM 1 STANDARD TERMS AND CONDITIONS FOR ECS, ECNS AND BS

The Compliance Procedure Manual Regulations; which contains Form 1 "Standard Terms and Conditions for ECS, ECNS and BS" were published on 15 December 2011.

The purpose of these Regulations is to assist the Authority to proactively monitor compliance and to ensure that information is obtained in a consistent format.

These Regulations apply to all licensees issued with a licence in terms of chapter 3 and 9 of the Act and in terms of the Postal Services Act, 1998 (Act 124 of 1998)

General Licence Information

3.1.1 Organisation Status- Sai is a profit company and it provide internet services, access to a database and email. Sai operates from Durban North and started operation on 20 December 2010.

3.1.2 Ownership- Sai is locally owned, however in terms of its submission it does not have HDI shareholding.

3.1.3 Shareholding- Sai has 1 shareholder Mr Desmond Bayley Ramsay who holds 100% of the shares in the company.

3.1.4 Staff- Sai has twenty two (22) staff members. Sai is comprised of eight (8) people in the technical division of these eight (8) people 62% are white, 12.5% are Africans and 25% are Indians. Sai has five (5) people in management, 80% of them are whites and 20% Indians, with 60% of them being males with 40% females.

3.2. LICENCE TERMS AND CONDITIONS

Licence Requirement – Paragraph 2 of the Schedule to the issued Licences requires “the licensee to provide national coverage of its electronic communications network services.”

3.2.1. Network Coverage

Geographical

Sai has a geographical coverage of 161 km in the following areas: KwaZulu Natal, Mpumalanga and Western Cape, which is 10% as per submission.

Population coverage

Sai has a population coverage of 10 % in KwaZulu Natal, Cape Town and Mpumalanga areas.

3.2.3. Network Type / Infrastructure

Wireless / Fixed

Sai has both fixed line and wireless line connections. Sai has a total number of 55 highsites in KwaZulu Natal, Cape Town and Mpumalanga.

Fibre

Sai has fibre and copper link within their network which is used for backbone links. The fibre and copper links are provided by Telkom, eThekweni Metro and Neotel.

3.2.4. Services offered

Voice / Data

Sai offers internet services and VOIP Gateway to their customers.

3.3. GENERAL LICENSE FEES REGULATIONS, 2009

The General Licence Fees Regulations came into operation on the date of publication, being 01 April 2009.

3.3.1. Regulatory Requirements – Regulation 5: provides that *“Payments in respect of annual licence fees are due as prescribed in schedule 3.”*

3.3.2. Regulatory Requirements – Schedule 3 of Regulation 1 (4): states: *“In respect of Annual Payments, such:*
(a) are due annually based on the licensee’s financial year;
(b) are due and payable within 6 months from the end of the licensee’s financial year end.”

Compliance Assessment

01 March 2011 to 29 February 2012

Sai has complied with these Regulations in that it made a payment with respect to the annual licence fees within six months of their financial year end.

Sai also submitted its Audited Annual Financial Statements to the Authority for verification of its payments within six months of their financial year end.

3.4. UNIVERSAL SERVICES AND ACCESS FUND REGULATIONS, 2011

The USAF Regulations were published on 10 February 2011 and came into operation on the same date.

3.4.1. Regulatory Requirements - Regulation 3 (1): requires *“Every holder of a licence granted in terms of Chapter 3, 4 and/or 9 or converted in*

terms of Chapter 15 of the Act, must pay an annual contribution of 0.2% of its Annual Turnover to the Fund”.

- 3.4.2. Regulatory Requirements - Regulation 4(2):** requires that
"Payments in respect of contributions to the Fund:
(a) are due annually based on the licensee's financial year;
(b) are payable within 6 months from the end of the licensee's financial year end.

Compliance Assessment

01 March 2011 to 29 February 2012

Sai has complied with these Regulations in that it made a payment with respect to USAF regulations within six months of their financial year end.

4. CONCLUSION AND SUMMARY OF PERFORMANCE

4.1. Compliance Procedure Manual Regulations, 2011; Form 1 Standard Terms AND Conditions For ECS, ECNS AND BB

Sai submitted information as requested.

4.2. General Licence Fees Regulations, 2009

Sai has complied with the Licence Fees Regulations.

4.3. Universal Service and Access Fund Regulations, 2008

Sai has complied with the Universal Service and Access Fund Regulations.