



Independent Communications Authority of South Africa

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ECS/ECNS (Telecoms)

Compliance Report

2015/16

Assessed during the 2016/2017 Financial year

Disclaimer: The information contained in this report is as at the time of writing this report, based on the submissions from Licensees.

Date: April 2017.

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ACRONYMS

Acronym	Description
ADR	Alternative Dispute resolution
CCC	Complaints and Compliance Committee
CAP	Consumer Advisory Panel
CPA	South African National Consumer Protection Act No 68 of 2008
CPMR	Compliance Procedure Manual Regulations
CRASA	Communications Regulators Association Southern Africa
DoC	Department of Communications
DTPS	Department of Telecommunications and Postal Services
ECA	Electronic Communications Act No. 36 of 2005
ECNS	Electronic Communications Network Service
ECS	Electronic Communications Service
E-Rate	50% discount rate at which internet services are provided to public health institutions, public and private schools, collages, further education and training institutions and higher education institutions, as per section 73 of the ECA.
GLF	General Licence Fee
HDG	Historically Disadvantaged Groups
ICASA Act	Independent Communications Authority of South Africa Act No. 13 of 2000
ICT	Information and Communications Technology
IP	Internet Protocol
ISP	Internet Service Provider
PAIA	Promotion of Access to Information Act No. 2 of 2000
PAJA	Promotion of Administrative Justice Act No. 3 of 2000
POPI	Protection of Personal Information Act No. 4 of 2013
PLMN	Public Land Mobile Network
PSTN	Public Switched Telecommunications Network
PTN	Private Telecommunications Network
QoS	Quality of Service
SADC	Southern African Development Countries
SAPO	South African Post Office
SIP	Session Initiation Protocol

Acronym	Description
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNGCP	United Nations Guidelines for Consumer protection
VANS	Value Added Network Service

1. Introduction

The purpose of the report is to advise on the compliance analysis and evaluation done during the 2016/2017 financial year regarding the performance of ECS/ECNS licensees during the 2015/2016 financial year. The compliance assessment is conducted through compliance monitoring against prescribed Regulations and related Statutes.

The process is conducted over a twelve month period by analysing and assessing compliance information submitted by ECS/ECNS licence holders. Analysis and assessment for compliance were done with respect to financial compliance (i.e. submission and payments for service licence fees and USAF contributions), Forms submitted in terms of the Compliance Procedures Manual Regulations (CPMR) and assessment of the information given on universal service obligations and others.

Upon conclusion of assessment for compliance, the ECS/ECNS Compliance unit will engage non-complying licensees in order to ensure that they comply with the requirements. If the licensee fails to comply with the requirements, the matter is referred to the CCC for hearing and determination thereafter.

This report gives an account of the compliance 'status' for licensees for the 2015/2016 financial year. The licensees covered in this report are:

1. Community Monitoring Services (Pty) Ltd.
2. Conekt Business Group (Pty)Ltd
3. Connection Telecoms (Pty) Ltd
4. Continuity SA
5. Crazyweb Tech CC
6. Digital Dynamix
7. Directel (Pty) Ltd
8. Airtelecom CC
9. Kliq (Pty) Ltd
10. Kosh Communication Services
11. Rose Courtz Trading (Pty) Ltd
12. Vangibuzz Pty Ltd t/a True Communications
13. Vumatel (Pty) Ltd
14. EOH Mthombo
15. Mitsol

16. Cape Connect
17. Webstorm
18. Xnet
19. Werner stuck
20. Zululand Wireless Network
21. Eden Island Trading 589 CC
22. Ask Internet Technologies
23. KAB Technologies CC
24. Liquid Telecommunications Operations SA (Pty) Ltd
25. Sevenstone Investments 108 (Pty) Ltd t/a N – Telecom
26. Lanlink Networking (Pty) Ltd
27. Neelana Communications (Pty) Ltd
28. Olive Tree Technologies CC
29. Paw Paw Wireless (Pty) Ltd
30. Swiftnet (Pty) Ltd
31. The Immedia Ecosystem (Pty) Ltd
32. Fliber (Pty) Ltd
33. JSDAAV ZA Telecoms (Pty) Ltd
34. LBJ Groenewald t/a My Wifi Installations
35. GVSC Communications (Pty) Ltd
36. WIOCC South Africa (Pty) Ltd
37. Louis Emil DE Villiers-STOPEL TRADING
38. Web Data and Service (Pty) Ltd
39. Neology (Pty) Ltd
40. Marinus Robert Aling t/s MD Wireless
41. Baumie Technologies CC t/a BT BITS
42. KWN networks
43. Connectnet Broadband Wireless
44. Desmond Bayley Ramsay t/a JBJ internet cc
45. C-way computers cc
46. IDHWEB
47. Link Africa
48. Wireless Business Solutions (Pty) Ltd/ WBS (i-Burst)
49. ICT Globe Management (Pty) Ltd
50. Lasernet (Pty) Ltd
51. Tribal Zone Telecommunications CC
52. Cipherwave Networks (Pty) Ltd
53. Huge Telecoms (Pty) Ltd
54. HX-Systems CC
55. Telemedia
56. Backspace Technologies
57. Mzansi Media
58. Workonline Communications
59. Dark Fibre Africa (Pty) Ltd
60. CMC Networks
61. Phaton Fibre link
62. Telkom
63. Multisource Telecoms
64. Xlink Communications

65. Xtranet
66. Amobia
67. Orbicom (Pty)Ltd
68. Centracom
69. Inforstream Technologies
70. Cape PC Services cc
71. Airpark Beaufort West
72. Dube Trade Port Corporation
73. e.tv (Pty) Limited
74. Vodacom
75. Sentech
76. Neotel
77. Broadband Infraco
78. Hymax Talking Solutions
79. Sybaweb (Pty) Ltd
80. Advanced Reliable e-Solutions for Africa
81. Cyberdine Secure internet
82. Connect First Telecoms (Pty) Ltd
83. Switch Telecom (Pty) Ltd
84. Vox Telecoms
85. Zomerlust systems design cc
86. Skygistics
87. MTN
88. Orange Business Services SA (Pty) Ltd
89. Cell C
90. Bloomberg Value-Added Network Services (Pty) Ltd
91. China Telecom South Africa (Pty) Ltd
92. Gateway Communications (Pty) Ltd
93. AT&T South Africa (Pty) Ltd
94. My Voip Communications

The listed licensees above were assessed based on their compliance submissions, which they submit, based on prescribed regulatory timelines and their financial year-end.

Table 1: *Financial Year Ends*

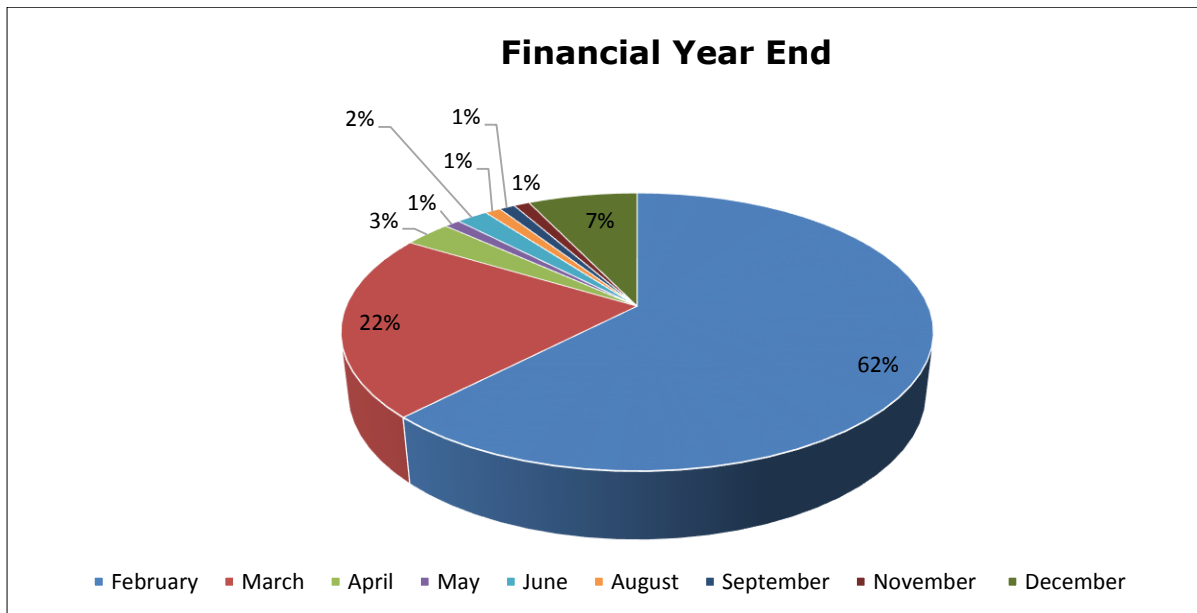
FYE	# of Licensees
January	0
February	61
March	21
April	03
May	01
June	02
July	0

FYE	# of Licensees
August	01
September	01
October	0
November	01
December	07

Tables 1 above as well Figure 1 below, show the spread of the months for each of the 94 licensees under assessment. February is the most common and dominant month end followed by March with the least common being May, August September and November, respectively. There is no licensee whose financial year ends in January, July or October.

The financial year-end has an effect on licence fee collection and conclusion of compliance assessment for the Authority. Therefore, the Authority accepts financial forecasting for the purpose of licence fee collections and certain assessments are only concluded in the Authority’s next financial year.

Figure 1: Percentages of *Financial Year End*



2. Legislative Considerations

The following is a breakdown of the licences at the Authority as of 1st of April 2016. All the ECS/ECNS licenses are granted and issued under chapter 3 of the ECA, following the legislated processes as per the ICASA Act. All the ECS/ECNS licences have standard licence terms and conditions.

2.1. ECS/ECNS Licence Holders 2015-2016

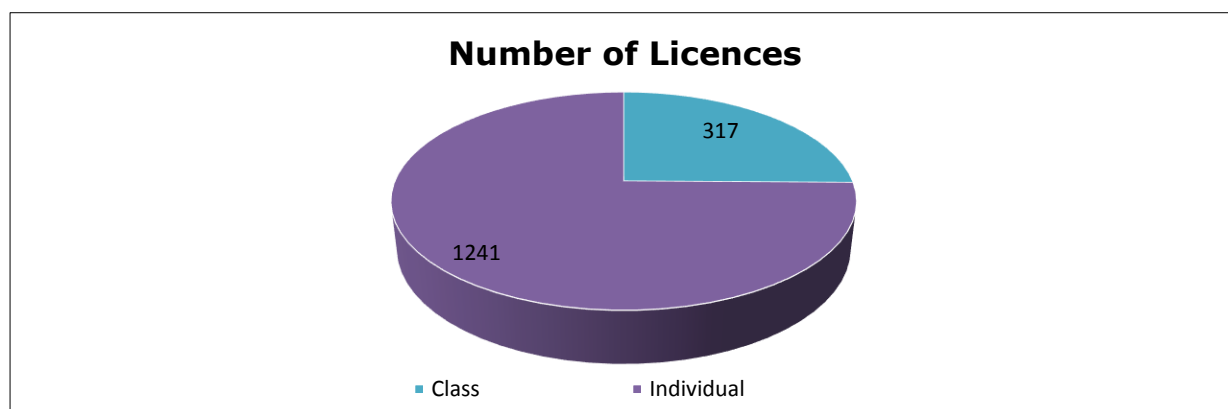
As per Chapter 3 of the ECA there are two categories of ECS/ECNS licences: **Individual** and **Class** licences. The Individual licence is the national licence whilst the Class licence is a geographically restricted licence. The ECNS licence permits entities to build, operate and sell communication network services, whilst the ECS licence permits entities to make available communication services for retail directly to the customer/end-user.

It is illegal to provide services without a licence, however the ECA provides for exemptions i.e. resellers can provide services without a licence. The Authority is yet to determine the extent or prevalence of resellers in the market. Figure 2 below gives an outline of ECS and ECNS licences and licensees in the market.

2.2. Individual Licences and Licensees

The Authority converted former PLMN, VANS and PSTN licences issued in 2009 for Individual ECS and ECNS licences based on the licence holder's choice. The said licence conversions were made on no less favourable terms to align licences with the ECA. The conversion led to an influx of licences in this category. Figure 2 below shows the number of licences currently in the market.

Figure 2: *Number of Licences*

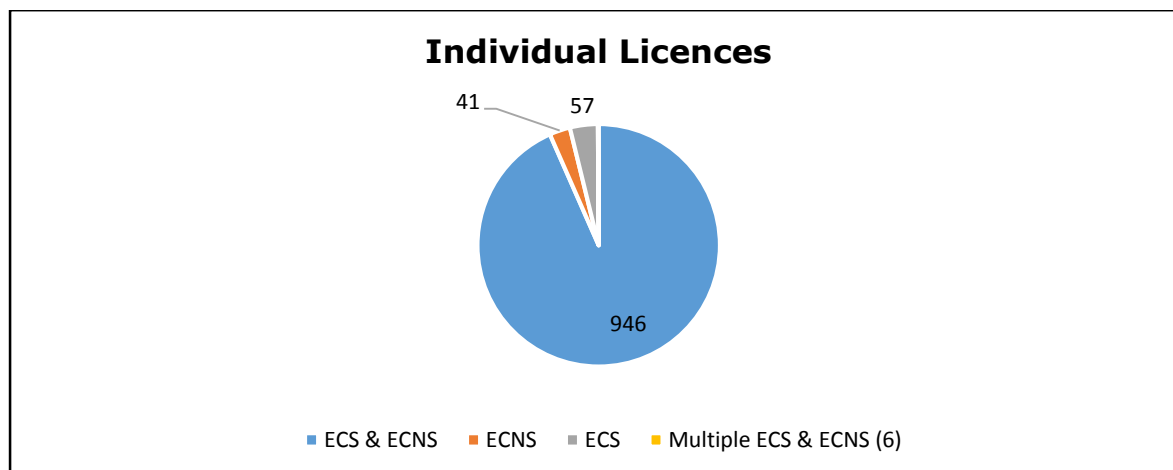


2.3 Licences

Figure 3 below shows the number of individual licences in the market and it says there are 946 ECS and ECNS licences held by the same entity. Only 57 and 41 entities. Each an ECS or an ECNS licence respectively. However, one licensee hold an ECNS licence only, namely Broadband Infracore. Whereas one entity may hold up to 6 ECS and ECNS licences, the reality is that most entities hold licences that they do not necessarily require or even use effectively yet the additional licences by one entity, does increase the Authority's scope of work with regards to monitoring and

enforcing compliance. For some or most of the said licences that are not in use however, the Authority is still required on a regular basis to monitor the said licences.

Figure 3: *Individual Licences*



2.4. Licensees

Figure 4: *Number of Licensees*

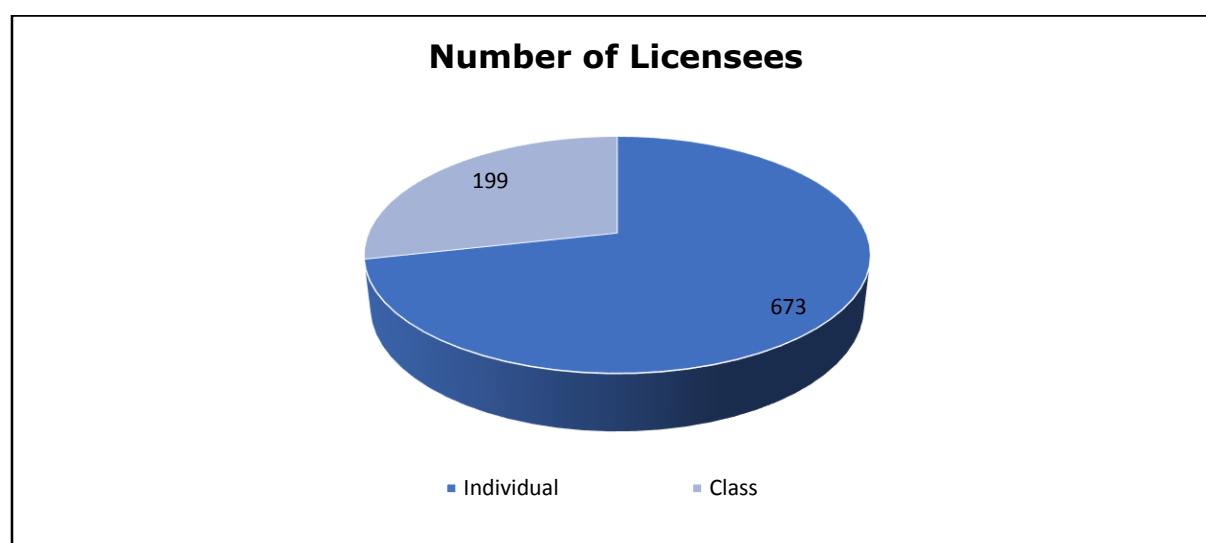


Figure 4 above shows the number of licensees in the market as of THE end of 2016. The number of licensees is less than that of licences in the market since some entities hold one or more licences and some even multiple licences.

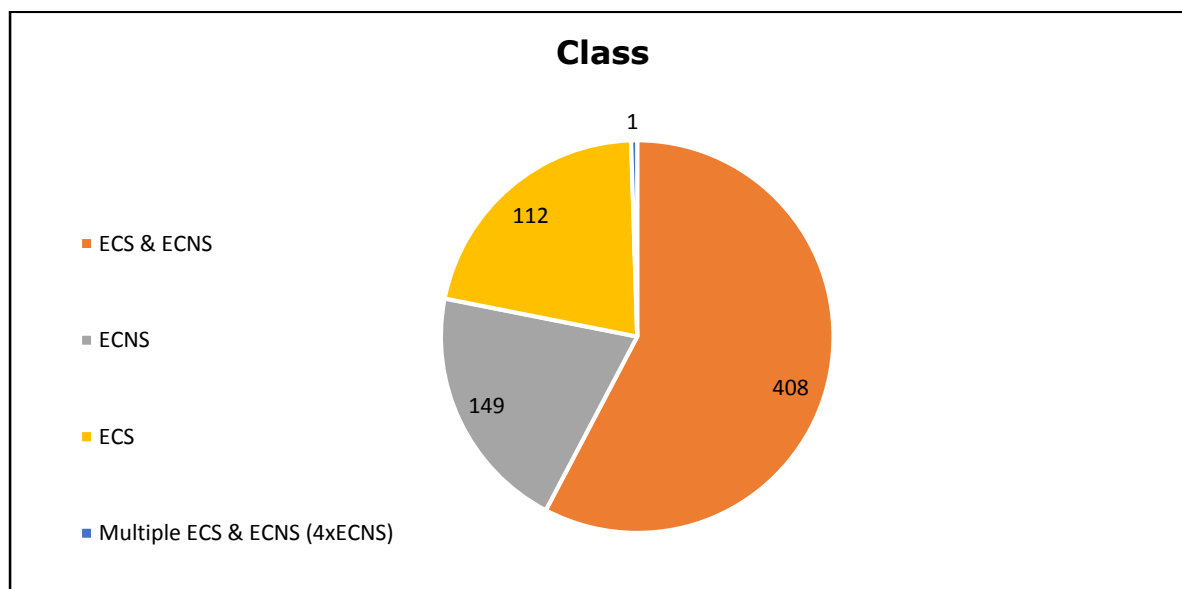
2.5. Class Licences and Licensees

The 2009 conversion of VANS and PTN licences was also done with licences being converted to Class licences. Most small regional players in the market opted for this licence.

Therefore, most of the licence holders for Class are mainly found and operate within a given province. The Class licence is mainly local and District Municipality restricted. That means entities that are issued with this licence can only operate and build a network within the defined area. However, the Class ECS was issued previously as a national licence but the Authority has since rectified the anomaly and all Class ECS licences issued currently, are restricted to specific areas. The applicant for the Class Licence is the one that specifies the area of operation.

2.6. Licences

Figure 5: *Number of Class Licences*

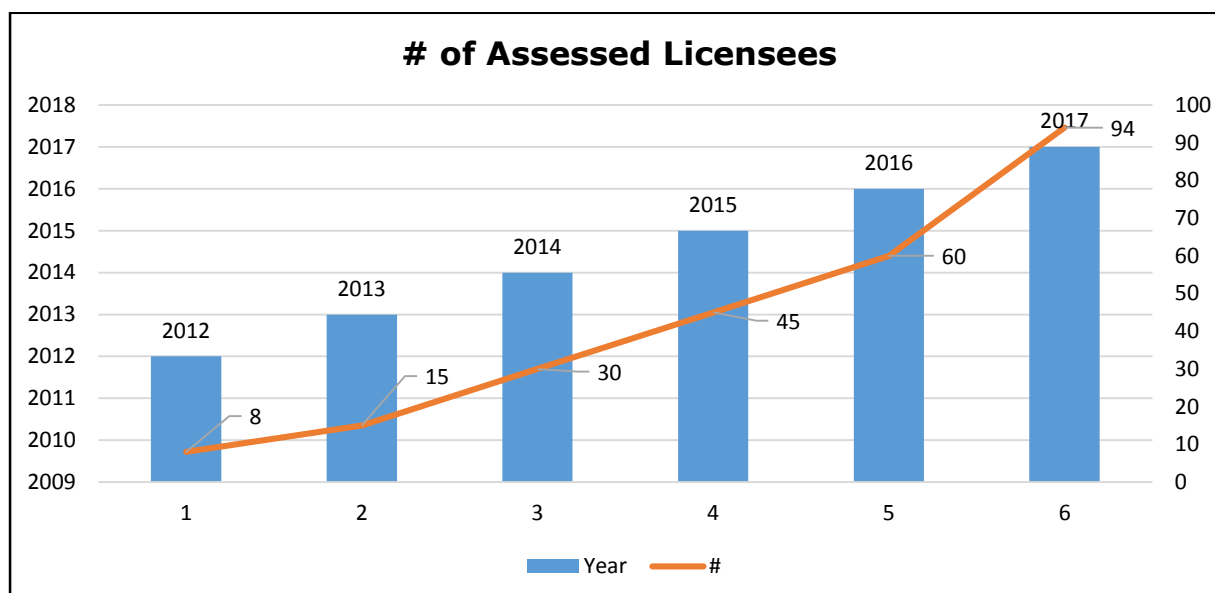


Most entities hold both ECS and ECNS licences with a few holding only one of the two. Only one has multiple ECS and ECNS licences. Whilst holding multiple licences in the Class Licence category, it is often that most of the licences are not in use. However, other entities do not require the licences since they operate as resellers.

3. Compliance Findings

The 2016-2017 compliance assessment was conducted on a sample of 94 licensees listed above in section 1, Introduction. Those include the top earners in the market and licensees that have regularly submitted compliance information. The number of licensees assessed for compliance has increased significantly over the last six years (*see figure 6 below*).

Figure 6: Number of licensees assessed



The number of licensees making submissions has equally increased over the six-year period. The licensees assessed provide network services, voice, data service at wholesale and retail level. Apart from Telkom, all licensees operate wireless based networks. Six of the licensees provide mobile voice services as their core business and all licensees provide data services with most operating as ISP. Only a few licensees use the high demand spectrum for wireless coverage namely Telkom, Vodacom, Cell C, MTN, Neotel and WBS. The rest of the licensees use the ISM Band spectrum for service provision, which has resulted in a lot of congestion.

3.1. General Licence Fees Regulations (GLF)

The calculation formula for GLF is based on a percentage of revenue generated from licensed activities. The applicable percentage ranges from 0.15% – 0.35% with a sliding scale of revenues from R0 – R50 000 to over R 1billion respectively (see table 2 below). The regulation does not have any exemptions for ECS and ECNS licence holders regarding payment of licence fees.

Licensees are required to calculate the licence fee amounts they are liable to pay. The calculation must be supported by audited financial statements or financial statements signed off by an Accounting Officer of the licensee. The calculations and the statements are reviewed and analysed by ECS/ECNS Compliance to ensure correctness of the calculation and adherence to the requirements. Licensees must make payment of their fees within six months of their financial year-end.

Table 2: Applicable Percentage

License Revenue	Percentage
R	B
0 -50 000 000	0.15%
50 000 001 -100 000 000	0.20%
100 000 001 -500 000 000	0.25%
500 000 001 -1 000 000 000	0.30%
1 000 000 001 -and above	0.35%

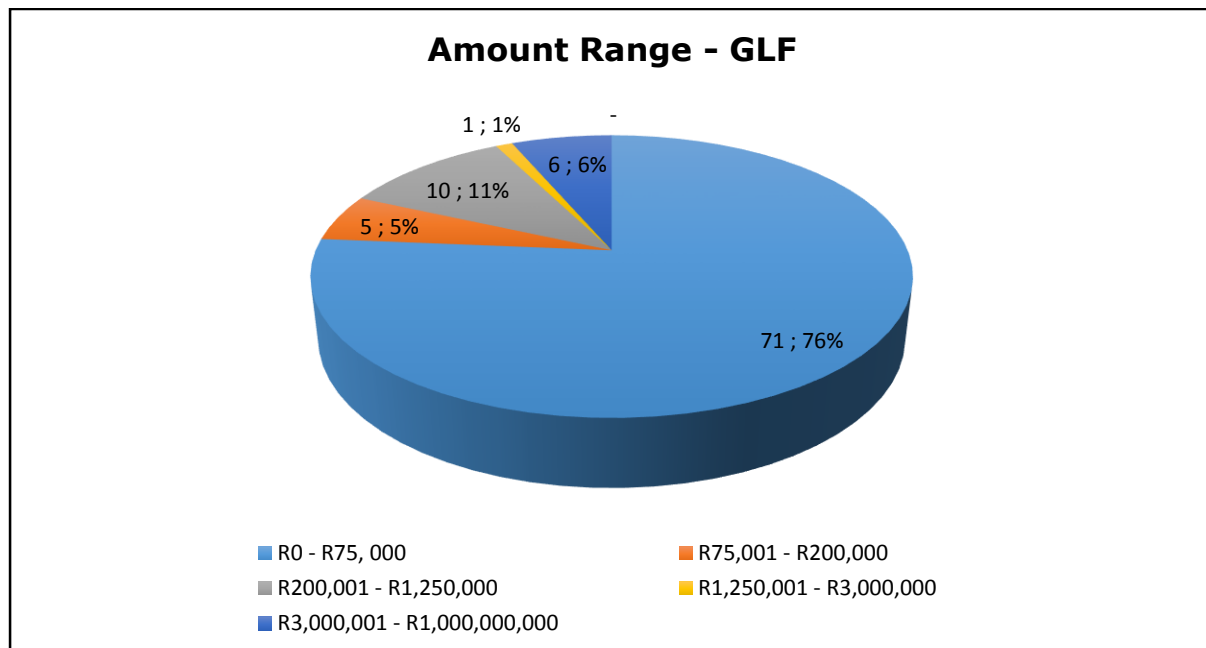
$$Pa = R \times B$$

Pa is the general licence fee payable by the licensee.

Note the names of the licensees have been removed to protect their confidentiality regarding financial information. The highest GLF paid is over R160 million whilst the lowest is R22.56. The GLF regulation does not have exemption hence the low GLF paid by the lowest licensee. There are seven ranges of the GLF paid as shown in figure 7 below.

Most licensees applied 015% meaning their licensed revenues are below R50million.

Figure 7: Range of GLF paid



3.2. Universal Service and Access Fund (USAF)

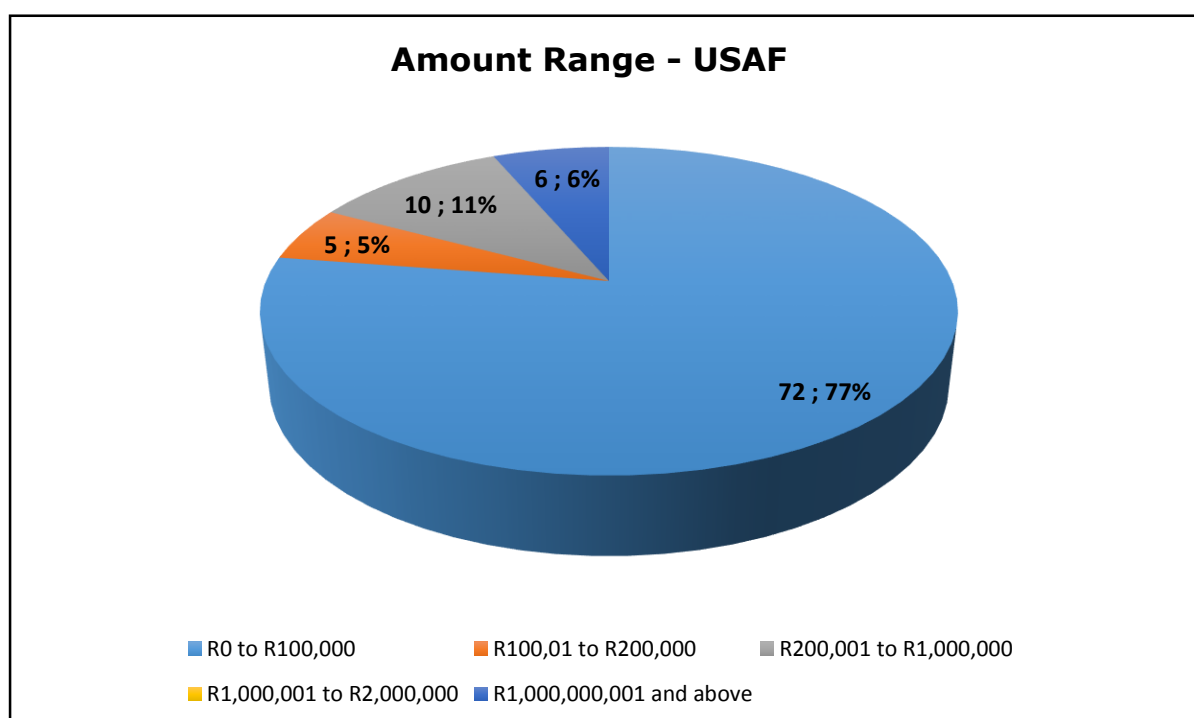
The Regulations on contribution to the USAF published in 2009, require licensees to make contributions of 0.2% of their annual turnover into the USAF. Licensees must make payment of their fees within six months of their financial year end.

Only six licensees had annual turnover between 0 and 50 million Rand. Vodacom, MTN and Telkom made the highest contribution to the USAF.

The total contribution made by these three licensees is higher than the total contribution made by all the other 91 licensees. Three (3) licensees did not make contribution to the USAF due to either not generating revenue from licensed services or some licensees failed to submit annual financial statement before the publication of the report.

Below is the list of USAF contribution by licensees for 2015/2016 financial year end.

Figure 8: Percentages of USAF contributions by licensees



At the time of writing this report 91 of the 94 licensees did pay USAF. The remainder are still to make payment, which is overdue, and a failure to pay will lead to interest being charged and a possible referral to the CCC for non-compliance.

3.3. Universal Service Obligation (USO)

Of the ninety-four (94) licensees only seven (7) have USOs, four of the Licensees USOs were amended with effective date being, 1 April 2014. The four licensees with USOs are Cell C, Neotel, MTN and Vodacom. The USOs for Telkom, Sentech and WBS are currently under review. The terms of amendment of the USOs for the four licensees collectively, are as follows:

- (i) Connect 300 schools (Neotel 150) per year (minimum);
- (ii) Connect 1 500 schools (Neotel 750) within five years;
- (iii) Provide minimum 24 tablets for students per school;
- (iv) Provide three (3) Laptops for Educators;
- (v) Printer per school;
- (vi) Connectivity for access to internet;
- (vii) Report twice a year i.e. end of April and October on progress and status of USO; and
- (viii) Provide connectivity at E-rate to the schools for the duration of their service licence.

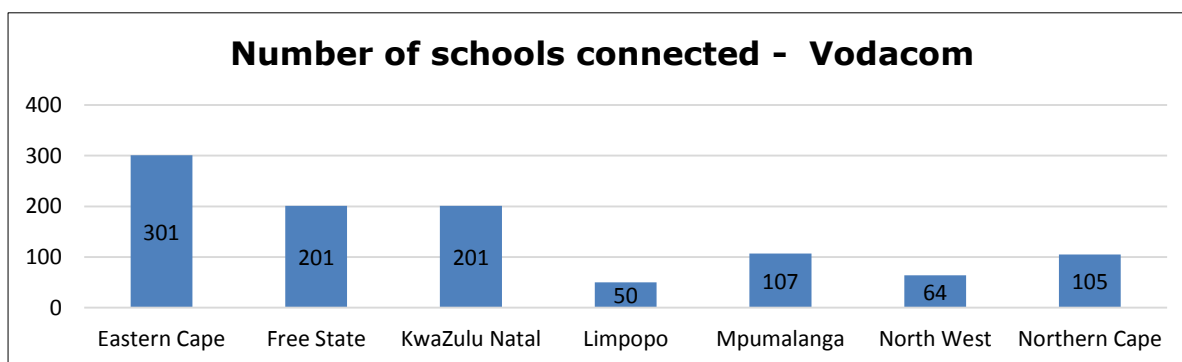
3.3.1. Vodacom

Vodacom commenced the roll-out in 2014 and they have a total of 1029 schools connected to date. Twenty-four (24) are special schools (schools for learners with disabilities). Their highest number of schools connected are in the Eastern Cape followed by the Free State and KwaZulu Natal, with the least number of schools connected in the Limpopo province. No schools have been connected in Gauteng and the Western Cape as priority was given to the less economically active provinces.

Table 3: *Number of Schools Connected by Vodacom per province*

Province	No of schools connected
Eastern Cape	301
Free State	201
KwaZulu Natal	201
Limpopo	50
Mpumalanga	107
North West	64
Northern Cape	105

Figure 9: *USO Schools Connected by Vodacom*



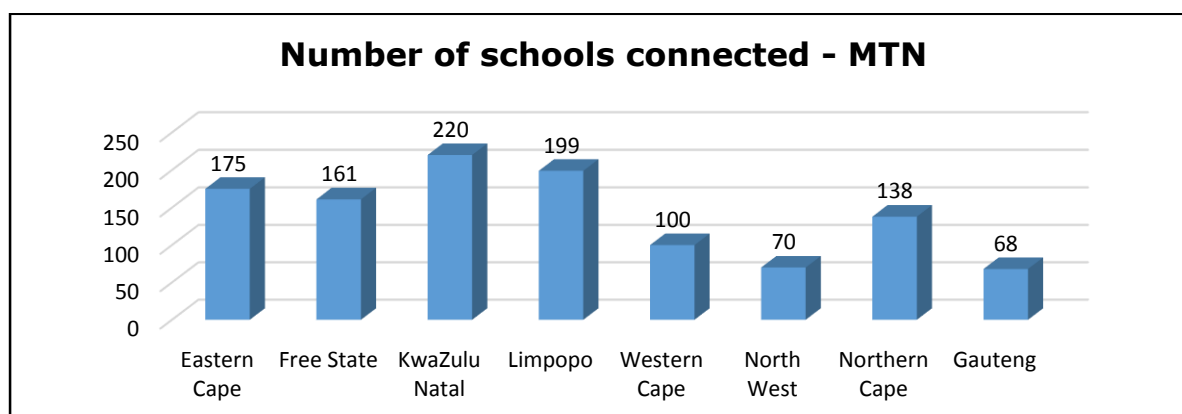
3.4. MTN

MTN commenced its rollout in 2015 due in part, to their internal procurement processes and delays to appoint service providers for the implementation. To date, MTN has managed to connect 1130 public schools throughout South Africa.

Table 4: Number of Schools Connected by MTN per province

Province	No. of schools connected
Eastern Cape	175
Free State	161
KwaZulu Natal	220
Limpopo	199
Western Cape	100
North West	70
Northern Cape	138
Gauteng	68

Figure 10: USO Schools Connected by MTN per province



3.5. Cell C

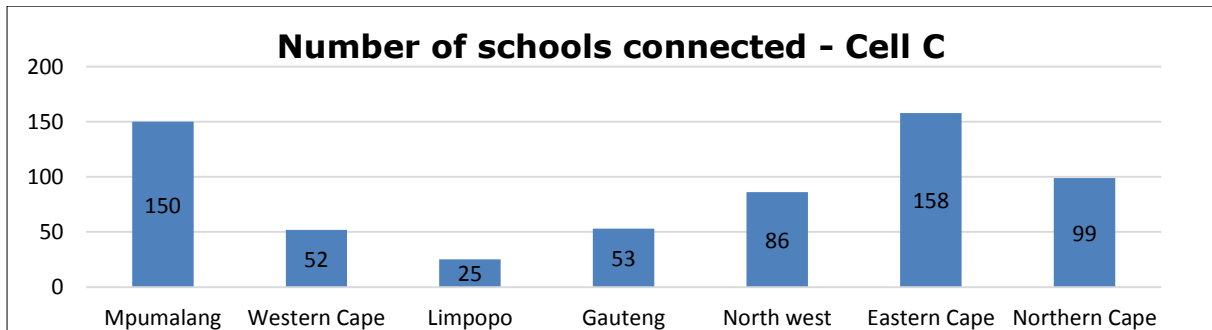
Cell C commenced implementation in 2016 and they have 600 schools connected to date. The highest number of schools connected are situated in the Eastern Cape followed by Mpumalanga and Northern Cape. The province with the least schools connected is Limpopo.

Table 5: USO Schools Connected by Cell C per province

Province	No of schools connected
Mpumalanga	150
Western Cape	52
Limpopo	25

Gauteng	53
North west	86
Eastern Cape	158
Northern Cape	99

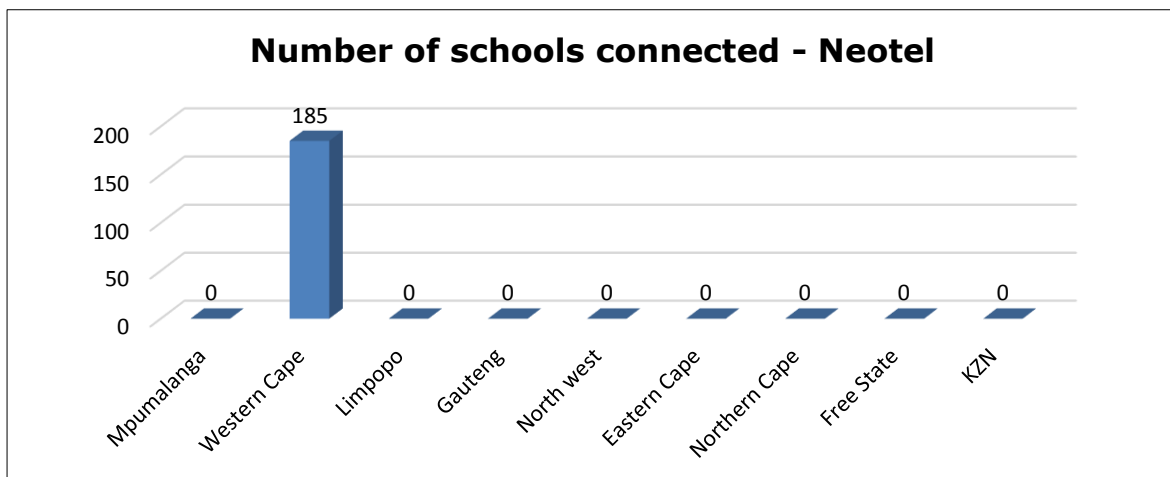
Figure 11: *USO Schools Connected by Cell C*



3.6. Neotel

Neotel has connected 185 public schools in the Western Cape only, for the 2015/2016 financial year. The next Neotel roll-out of school connectivity will be in Free State and Kwa-Zulu Natal provinces.

Figure 12: *USO Schools Connected by Neotel per province*



3.7. Licence Exempt

All entities that are providing ECS/ECNS services are required to have a licence to provide such services. Entities that are regarded as resellers have an obligation to apply for licence exemption to the Authority. Therefore, no entity can provide services without a licence unless the Authority granted the entity an exemption.

Table 6: *List of exempt entities*

No	Licensee Name	Exemption
1.	Active 8 Communicate (Pty) Ltd	ECS Licence exemption
2.	Alexandre Miller cc t/a Imaginet	ECS Licence exemption
3.	Amakhosi Satellite Corporation (Pty) Ltd	ECS Licence exemption
4.	Applied Satellite Technology (Pty) Ltd	ECS Licence exemption
5.	Bell Equipment Company SA (Pty) Ltd	ECS Licence exemption
6.	CDK Global (UP) Limited South Africa Branch	ECS Licence exemption
7.	China Telecom South Africa	ECN Licence exemption
8.	Clarotech Consulting (Pty) Ltd	ECS Licence Exemption
9.	CM Value Added Services (Pty) Ltd	ECS Licence exemption
10.	Cutman Bush Net	ECS Licence exemption
11.	Donsa Technologies (Pty) Ltd	ECS Licence exemption
12.	Digital Village	ECS Licence exemption
13.	Enth Degree Consulting (Pty) Ltd	ECS Licence exemption
14.	E-Tiki (Pty) Ltd	ECS Licence exemption
15.	Firstvoice (Pty) Ltd	ECS Licence exemption
16.	Fluxcon (Pty) Ltd	ECS Licence exemption
17.	Free Wifi for Africa NPC	ECS Licence exemption
18.	Hokanya Technologies	ECS Licence exemption
19.	Hymax SA (Pty) Ltd	ECS Licence Exemption
20.	Ingululu Communications cc	ECS Licence exemption
21.	K2015213410 South Africa/Oneclick Internet	ECS Licence exemption
22.	New Age Communications cc t/a Samsung NAC	ECS Licence exemption
23.	Real Broadband Solutions	ECS Licence exemption
24.	SA Gateway Internet Service Provider (Pty) Ltd	ECS Licence exemption
25.	Shycom (Pty) Ltd	ECS Licence exemption
26.	Skyrove (Pty) Ltd	ECS Licence exemption
27.	Teleo Communications (Pty) Ltd	ECS Licence exemption
28.	Toviti (Pty) Ltd	ECS Licence exemption
29.	Visual Data Recovery (Pty) Ltd	ECS Licence exemption
30.	SAGATEWAY Internet Service Provider	ECS Licence exemption

Thirty (30) entities have applied for licence exemption and the Authority granted an exemption to all entities. The exemption means that the entities are not

required to have a licence to provide certain services such as reselling of electronic communications services.

3.8. Compliance Procedure Manual Regulation (CPMR)

The Compliance Procedure Manual was prescribed to streamline the submission of compliance information. Compliance information was consolidated into Forms which licensees must complete to reflect adhering to the compliance requirements as per the regulations.

The CPMR is composed of Forms based on current regulations. There is Form 2, which is based on the General Licence Fees Regulations and Universal Service and Access Fund Regulations. Form 7A, 7C and 12A are based on the Code of Conduct, Code on People with Disabilities and the End User Subscriber Services Regulations, respectively.

3.8.1 Form 1

The Form requires the Licensee to provide the Authority with basic company or licensee information in terms of the structure of the company. Information on staff distribution by race and gender, to inform the Authority how the sector is structured in terms of people employed. Licensees provide information on the shareholding structure percentages held by Historically Disadvantaged Individuals or Groups, youth, persons with disabilities and women. The information on HDG is significant because it gives the Authority a sense whether the industry is transforming to achieve the 30% HDG ownership in terms of section 9 (2) (b) of the ECA.

3.8.2. Form 4

The Form requires the Licensee to provide a report on any services it may provide in terms of E-Rate. However, due to certain short comings of the E-Rate Regulations, licensees do not provide any services in terms of E-Rate.

3.8.3. Form 7A and 7C

Form 7A requires the Licensee to provide information about meeting the minimum standards with regards to code of conduct by licensees. Form 7C requires the Licensee to provide information on how licensees observe and meet the needs of persons with disabilities while providing services to the public.

Sixty-two (62) licensees have submitted Form 7A with required information hence they are deemed to be compliant. Thirty-two (32) did not submit the required information.

The licensees must state clearly that the Code of Conduct is displayed in their places of business and is written in English and can be translated in other languages if requested by customers.

On the Code on Persons with Disabilities, also sixty-two (62) licensees have provided the required information to the Authority in line with regulatory requirements. Thirty-two (32) licensees did not submit the required information hence they are deemed non-compliant.

3.8.4. From 12 A

The Form requires the licensee to provide reports on the complaints which the licensees may have received in the assessment period. The complaints received would be only those which have been reported to the Licensee by the customer even if not resolved. The licensee is given a limited number of days to resolve complaints.

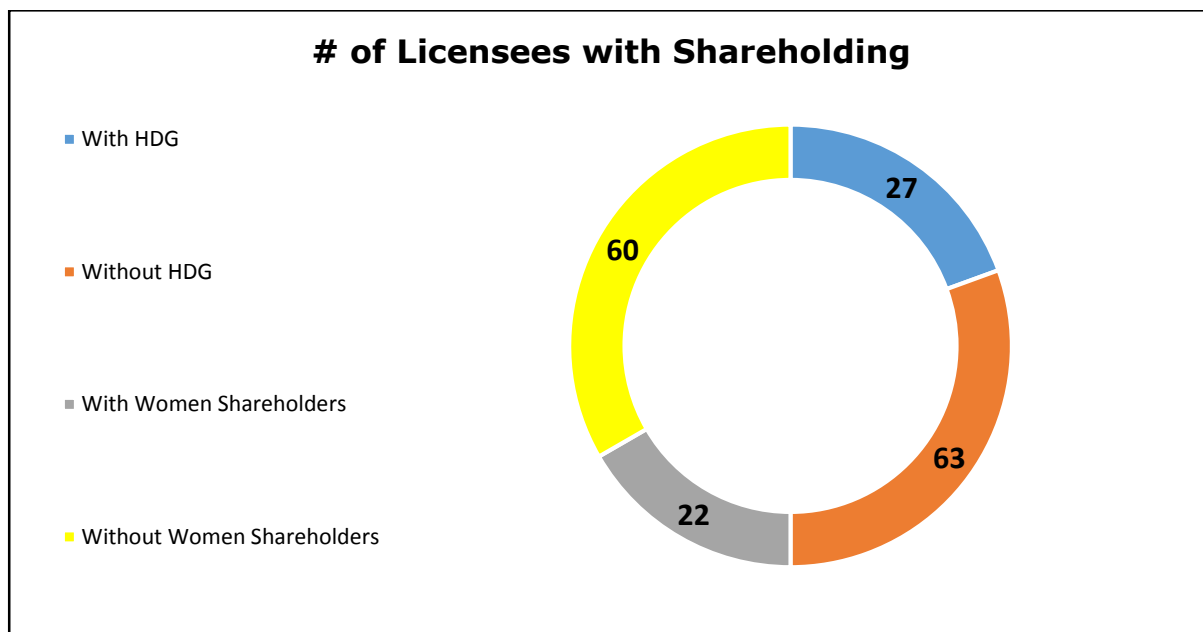
3.9. CPMR Findings

3.9.1. Form 1 - Shareholding

Licensees are required to have shareholding held by HDG of no less than 30% as per section 9 (2) (b) of the ECA. However, the said provision is technical because it relates to new licensees. Currently, many licensees came about as a result of the licence conversion process of 2009 where, their licences were merely the converted without the need to meet the strict requirement of section 9 (2) (b) of ECA, due to section 94 of ECA that required the conversion of licences to proceed on no less favourable terms. Hence many licensees have their shareholding by historically disadvantaged groups still below 30%. Therefore, the information on HDG is significant because it gives the Authority a picture whether the industry is transforming to achieve the 30% shareholding ownership by HDGs.

Figure 13 below shows the breakdown concerning shareholding held by licensees.

Figure 13: *Number of Licensees with Shareholding by HDGs*



There are twenty-two (22) licensees with shareholders as women and twenty-seven (27) licensees with HDG shareholding. However, the number does not necessarily mean they all meet the 30% requirement. Only fourteen (14) of the twenty-seven (27) meet the 30% HDG requirement. Sixty-seven (67) of the ninety-four (94) licensees do not have HDG shareholding and women shareholders.

Twenty-two (22) licensees have women ownership in their shareholding and only eight (8) have 100% women ownership. Xlink has the lowest woman ownership at 2.8%.

3.9.2. Staff Distribution

The staff distribution is not a compliance obligation on the part of Licensees; however, this information is important to the Authority to understand the sector employment numbers. The staff count for the ninety-four (94) licensees is 20 852. Only four licensees have staff more than a 1000.

Figure 14: Staff by Gender

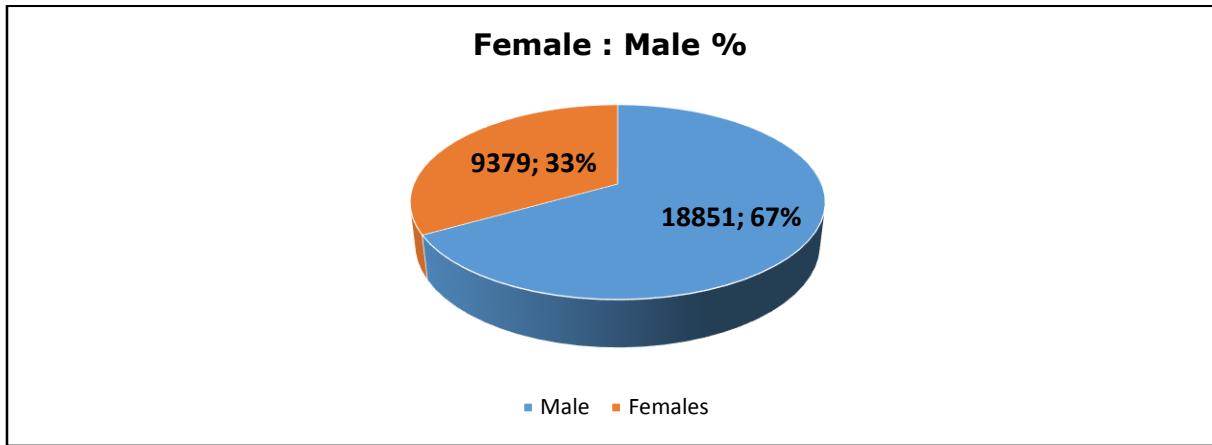
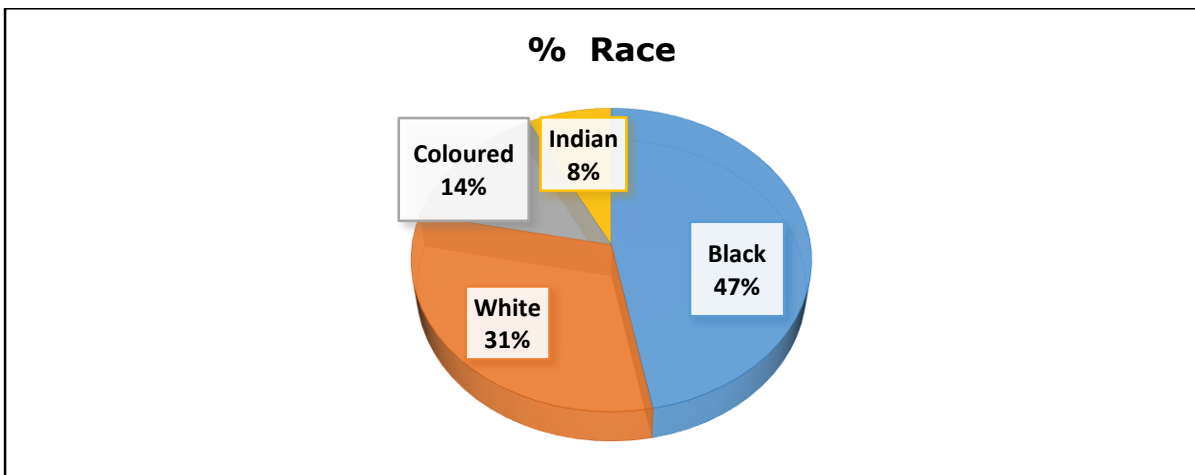


Figure (15) below shows staff distribution by race for the ninety-four (94) licensees:

Figure 15: Staff by Race



There are more Black employees at 47% compared to the rest, with Indian employees, at 8%.

3.9.3. Management Distribution

Telkom has the highest number of staff in management compared to the other ninety-three (93) licensees. In fact, the ratio for staff to management for Telkom is almost 1:1. A comparison has been made similar to the staff distribution in terms of race and gender. Figure 13, below shows the distribution of management by gender, with twice as many male managers compared to female.

Figure 16: Management by Gender

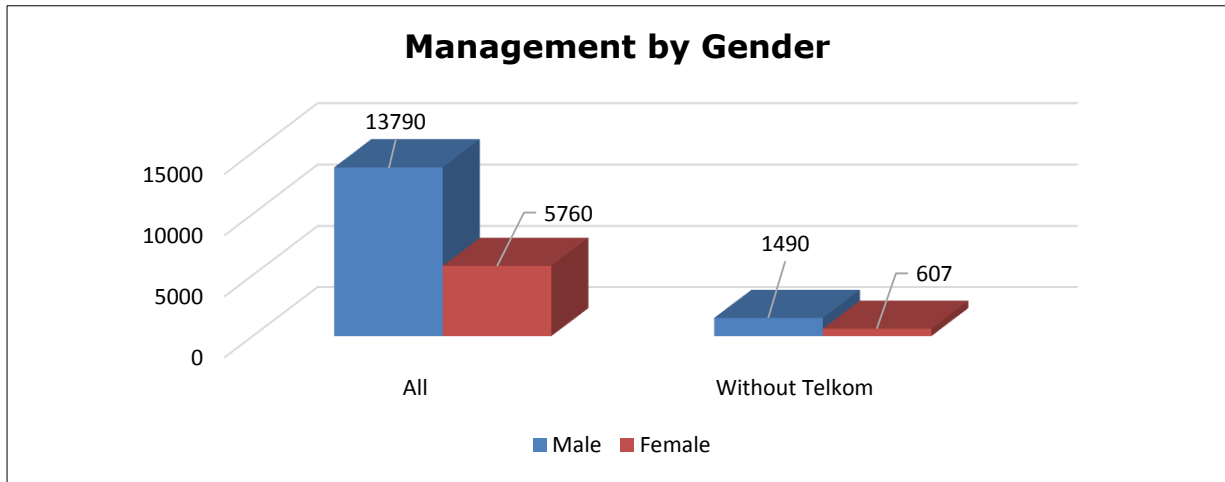
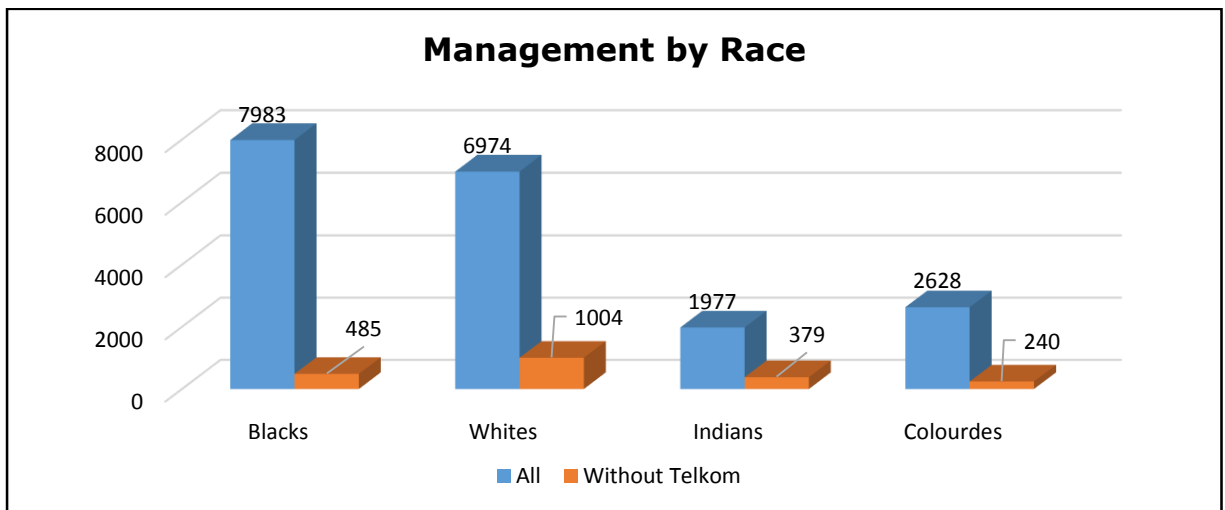


Figure 17: Management by Race



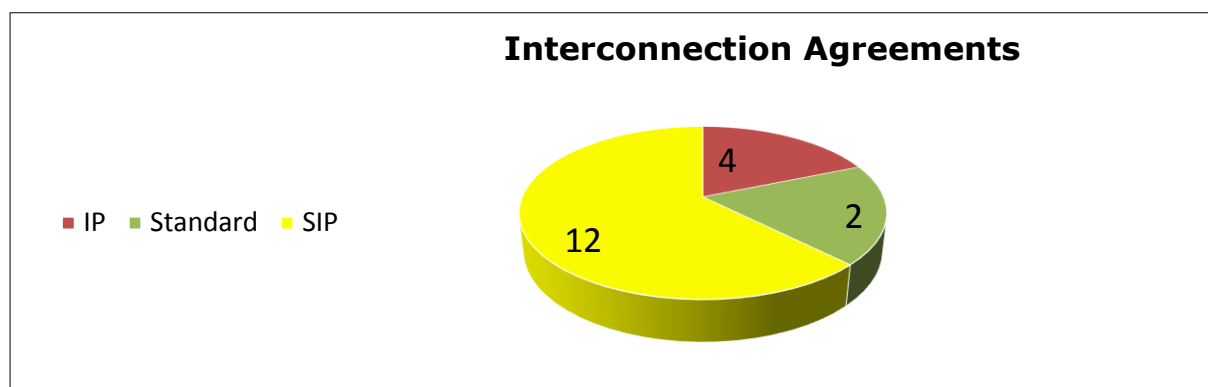
Management by race has a complete opposite to staff distribution by race of the ninety-three (93) licensees. Including Telkom, Black employees make the highest number of staff in management, however excluding Telkom, White employees are twice as many in management compared to Black employees. Yet White employees three times more than Indians and four times more than Coloured employees.

3.10. Interconnection Agreements

At the time of writing, this report ECS/ECNS had assessed 18 interconnection agreements from licensees in the 2016/2017 financial year.

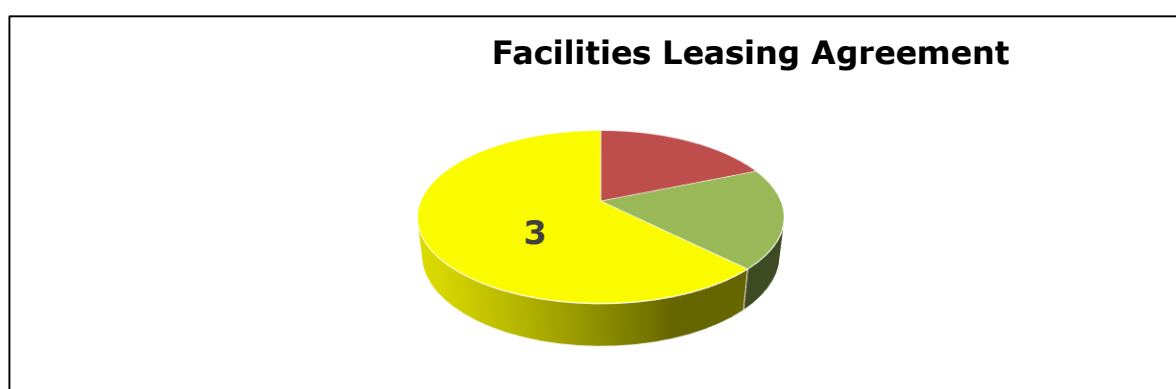
The table below shows the list of Interconnection Agreements that have been received to date.

Figure 18: *Interconnection Agreements*



The table below shows the list of Facilities Leasing Agreements that have been received to date.

Figure 19: *Facilities Leasing Agreements*



3.11. ECS/ECNS Inspections

The Authority's Regions Offices conducts inspections to compliment the licensee submissions made on an annual basis. The outcome of the inspection are used by ECS/ECNS Compliance and Regional Offices for further investigation on areas of non-compliance, in the event of non-compliance the licensee concerned may be referred to the Compliance and Complaints Committee (CCC).

At the time of writing this report, the Regional Offices had begun conducting their inspections. The impact of the inspections is two-fold: increased awareness and visibility of the Authority to licensees.

4. Notifications & Extensions

Licensees from time to time request changes to their licences with regards to name on the licence, physical and postal address, contact details and shareholding. In terms of the Standard Terms and Conditions Regulation for Class and Individual

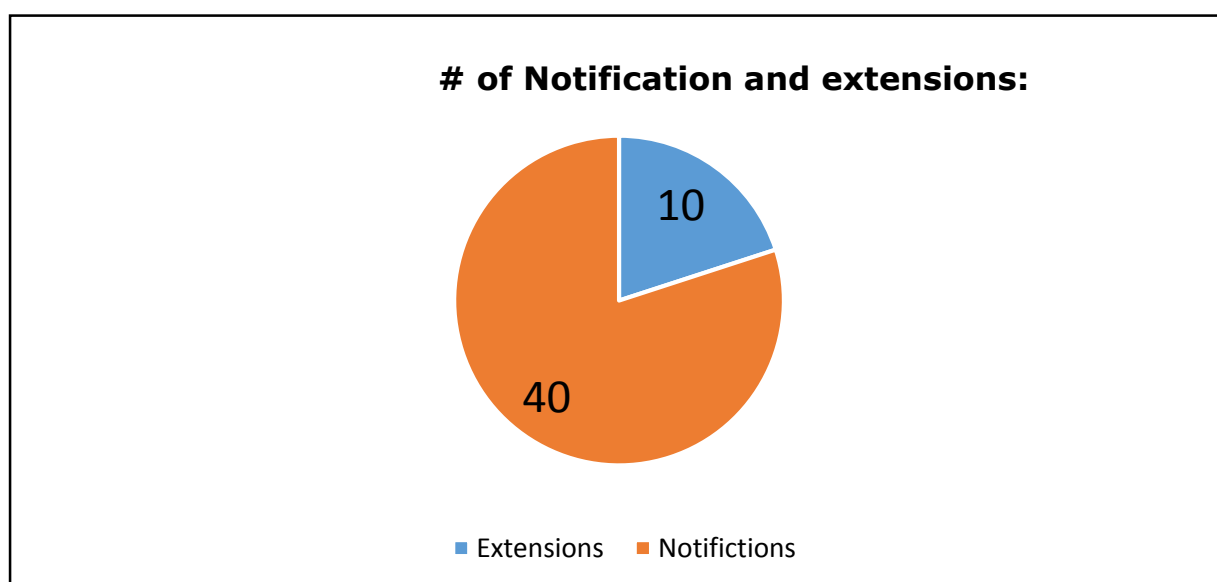
Licensees, licensees are required to notify the Authority within seven days of the change to their addresses, contact persons and shareholding.

ECS/ECNS Compliance must verify and ensure adherence to the requirements and process the said changes, the licences are updated by the Licensing Division. In the case of individual licences, the Chairperson signs off the updated licence and for class licences the GM signs it off: Licensing.

Licensees are required to request for extension if they fail to commence operations within 12 and 6 months for the ECNS and ECS licences respectively.

In the period 2016 – 2017 ECS/ECNS ECS/ECNS Compliance attended to notification and extensions as shown in figure 16 below.

Figure 20: *Notifications and Extensions*



5. Referrals to CCC

Licensees that fail to comply with regulatory requirements are referred to the CCC for adjudication. ECS/ECNS Compliance referred licensees for non-compliance and the cases were heard at the CCC from 2015 to date. The breakdown of the cases is as shown in figure 20, below.

Thirty-five (35) cases were /and are before the CCC for adjudication for the 2016/2017 financial year-end. Thirty-two (32) of these cases are concluded and seventeen (17) had negative findings against licence holders, while nine (9) had no findings. The remaining six of the cases have outstanding judgements. Only three (3) cases are yet to be heard before the CCC.

Table 8: Breakdown of CCC cases

Findings	17
No findings	09
Outstanding judgements	06
Pending cases	03

Figure 21: CCC Referrals

