



I C A S A

Independent Communications Authority of South Africa
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**GATEWAY COMMUNICATIONS (PTY) LTD
COMPLIANCE REPORT 2011-2012**

1. INTRODUCTION

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

2. BACKGROUND

On 28 April 2009, the Authority issued Gateway Communications with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 0301/IECS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 0301/IECNS/JAN/09.

This Annual Compliance Report, assesses Gateway Communications compliance with the General Licence Fees Regulations ("ALF"), the Universal Service and Access Fund, Form 1 Standard Terms and Conditions. Gateway Communication's financial year end is **31 December**.

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 Regulation; 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- subsequent to obtaining the above mentioned licences Gateway Communications commenced operations on 15 January 2009. Gateway Communications is based in Midrand.

3.1.2 Ownership- Gateway Communications is owned by an internationally incorporated company therefore it is not owned by South African citizens. Gateway Communications does not have shareholding by historically disadvantaged individuals.

3.1.3 Shareholding- Gateway Communications shareholding was acquired by PCCW Global B.V, which is incorporated in the Netherlands and part of the PCCW Ltd Group of Hong Kong.

3.1.4 Staff- Gateway Communications has seventeen (17) staff members. The staff composition is made up of South African citizens with one (1) Expatriate in the technical department. Of the seventeen (17) staff members in the company only six (6) are in the technical department, all are male and comprises of 2 (two) Africans and 4 (four) Whites. Management is composed of five (5) members, 1 (one) African, 1 (one) White female and 3 (three) White males.

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 Coverage

Gateway Communications has national and international coverage.

Population coverage

Gateway Communications did not mention population coverage.

3.2.2 Network Type / Infrastructure

- i. Satellite systems transponders;
- ii. Satellite antenna;
- iii. IRU's;
- iv. Undersea optic cable systems;
- v. National and international cross-border terrestrial cable systems;
- vi. Teleport fibre connectivity;
- vii. Radio apparatus; and
- viii. Nodes and switches.

3.2.3 Services offered

Gateway Communications is a data service provider and also provides VPN's.

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 licensees to
"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 January 2011 to 31 December 2011

Gateway Communications has complied with these Regulations as payment was made prior the six (6) months of their financial year end. Gateway Communications Audited Annual Financial Statements are due to the Authority by June 2013.

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): provides 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 January 2011 to 31 December 2011

Gateway Communications did comply with these Regulations as payment was made prior the six (6) 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

Gateway Communications has submitted the required information as requested.

4.2. General Licence Fees Regulations, 2009

Gateway Communications has complied with the Licence Fees Regulations as payment was made prior the six (6) months of their financial year end. Gateway Communications Audited Annual Financial Statements are due to the Authority by June 2013.

4.3. Universal Service and Access Fund Regulations, 2008

Gateway Communications has complied with the Universal Service and Access Fund Regulations.