

**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA**  
**RE: PROPOSED AMENDMENTS TO ICASA REGULATIONS**

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SUBMISSIONS BY GOLDEN GLOVES (PTY) LIMITED

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INTRODUCTION

1. These submissions are put forward by Golden Gloves (Pty) Limited on behalf of the sport of boxing in response to the proposed new amendments to the Sport Broadcasting Services Regulations as published by ICASA on 14 December 2018.

These submissions deal with the impact and consequences which will flow throughout the boxing industry if the proposed amendments are approved.

The legal and constitutional implications will be dealt with in detail by a number of the other objectors and are not addressed herein.

2. Golden Gloves (Pty) Limited (GG) was formed more than 40 years ago with Mr Rodney Berman as its CEO (he currently holds the same position). It has operated ever since in the forefront of promoting tournaments both locally and internationally and is thus in a position to comment generally on the state of the boxing industry.
3. The sport of boxing has a long history. Traditionally, boxing matches were completely uncontrolled. No regard was had to divisions according to weight,

age, nor the number of rounds which a bout would entail. Famously, in 1867 the Marquis of Queensbury introduced the first set of rules in the sport. The “noble art of self defence” thus acquired a prestige and legitimacy which developed over the years.

4. In recent times boxing has acquired a formidable reputation as a legitimate sport based on natural skill, athleticism and courage. A few years ago the legendary Muhammad Ali was voted as the greatest sporting athlete of all time – in any sport. In 2018 the highest earning sportsman in the world (for the fourth time) was the boxer Floyd “The Money” Mayweather (US285 000 000.00), ahead of Footballers Lionel Messi (US111 000 000.00), Cristiano Ronaldo (US108 000 000.00) and Connor McGregor, a Martial Arts fighter (US99 000 000.00).
5. The late Mr Nelson Mandela’s passion for Boxing is well documented and a famous quote ascribed to him is “My greatest regret in life is that I never became the Heavyweight Champion of the World”. His admiration for boxing icons such as Muhammad Ali, Sugar-Ray Leonard, Marvin Hagler and (locally) Baby Jake Matlala and Sugarboy Malinga, was well known. After his release from prison he attended three boxing events, all promoted by Golden Gloves. The one featuring Muhammad Ali’s daughter Laila Ali, another the bout when Baby Jake Matlala won his 4<sup>th</sup> World Title – and subsequently presented his championship belt to Madiba at ringside.

Mr Mandela also met the legendary US Promoter Don King when he visited South Africa as a guest of honor of Golden Gloves, and he insisted on meeting Marvin Hagler and Roberto Durand in Cape Town when they visited South Africa.

### THE ADMINISTRATION OF BOXING IN SOUTH AFRICA

6. At the outset it is important to note two unique features of the sport of boxing. Firstly, unlike any other sport, boxing is controlled and administered by its own Act of Parliament i.e. the Boxing Act No. 11 of 2001. Secondly, professional boxing is unique in that there is no universally recognised governing body. (Boxing which takes place at the Olympic Games is confined to amateur boxers under the age of 23 years.)

### THE BOXING ACT

7. This act states as follows:

#### **"Objects of Act**

2. The objects of this Act are to-
- (a) give effect to the provisions of the Constitution;
  - (b) regulate, control and exercise general supervision over professional boxing at tournaments in the Republic;
  - (c) protect and regulate the interests and organisational rights of the boxers, trainers, managers, promoters, officials and other stakeholders involved in professional boxing matters;
  - (d) promote –

- (i) orderly, collective action:
- (ii) boxing in the republic ...”

8. The Act provides for the establishment of a Boxing Commission (known as Boxing S.A.) to carry out the objects of the act. The functions of this body include, not only the licensing, regulation and control of the various participants who play a role in the sport, but also protecting the interests and organisational rights of the role players.
9. BSA regulates rules and regulations in the general interests of boxing. Thus, strict medical requirements for all tournaments are laid down. These stipulate that there are at least two medical practitioners at ringside, as well as an ambulance in attendance. The Trauma Unit of the nearest local hospital must be notified and be on full standby during an event.  
  
Security arrangements must be put in place. The promoter must employ its own security personnel, and must notify the local police station of the event in case of an untoward incident arising. An important and stringent requirement of BSA is that 14 days prior to the staging of any tournament the purses of all boxers must be lodged with BSA.
10. Apart from government subsidies, BSA derives its revenue, partly from carrying out the above licensing and administrative functions, and partly from levying a percentage based on the promoter’s income (i.e. from television, sponsorship and gate receipts.)

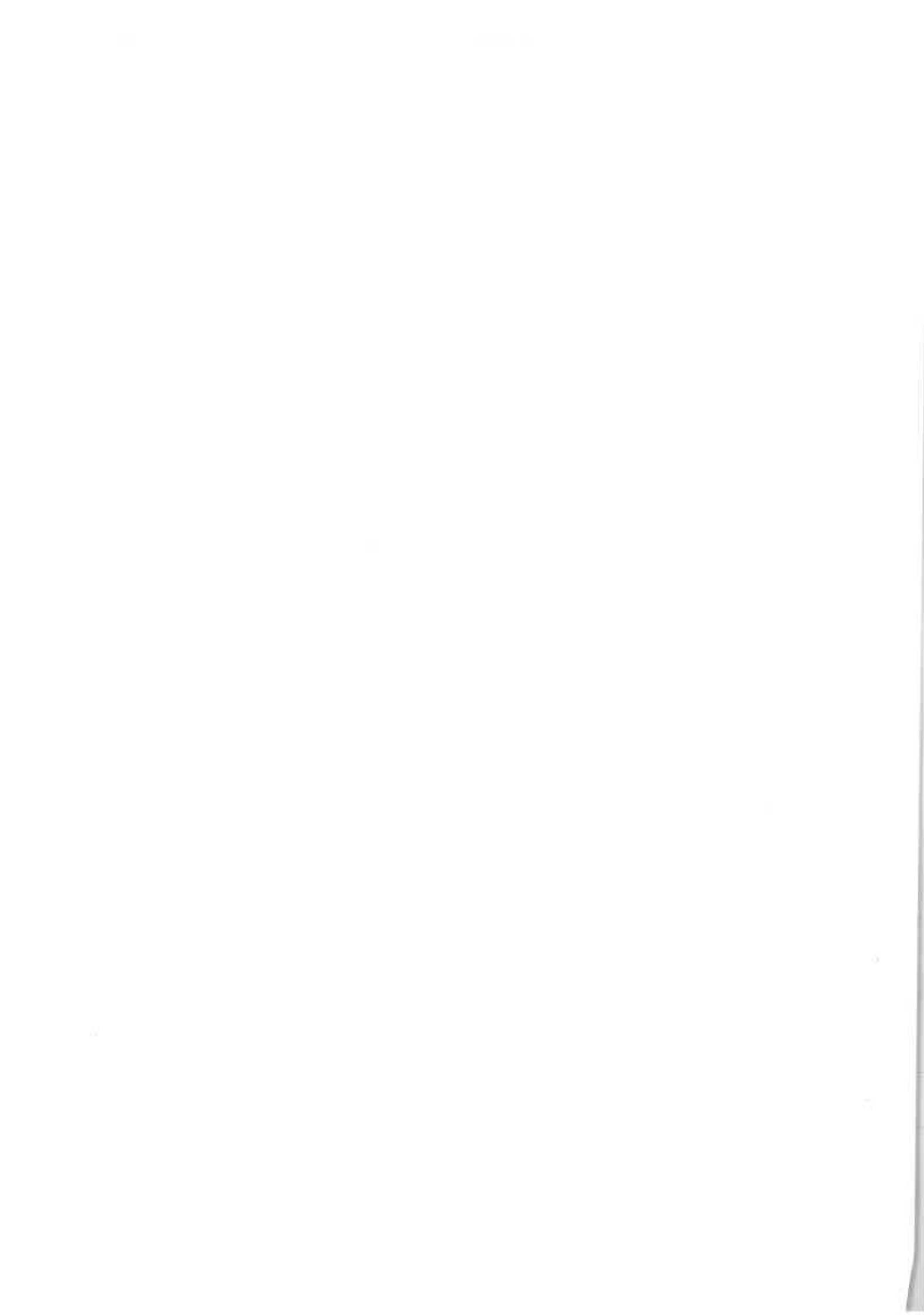
It is to be stressed that BSA itself has no power itself to promote Boxing Tournaments.

**11. ADMINISTRATION OF BOXING OUTSIDE SOUTH AFRICA: THE FEDERATIONS**

As noted, there is no single body which governs boxing at international level. Instead, there are various "Federations" located overseas which essentially carry out similar functions to Boxing S.A. These Federations administer the terms and conditions under which boxing tournaments under their auspices, are conducted.

12. The relevance for present purposes is that, according to reg. 5 of the proposed amendments, sporting events of "International Boxing Federations" fall within the definition of "national sporting events" in reg. 2 (g). These are "...deemed to be of national interest and include the South African National Senior Team". It is difficult to see how events staged by the International Boxing Federations can possibly be included in this definition. Moreover, reg. 5 provides that these Federation events must be broadcast on full free to air television.

13. The 5 main Federations are the World Boxing Council (WBC) based in South America, the International Boxing Federation (IBF) based in America; the World Boxing Association (WBA) based in Panama; the World Boxing Organisation (WBO) based in Puerto Rico and the International Boxing Organisation (IBO) based in America. In addition, there are a number of



lesser known Federations. These Federations operate independently, and in competition with one another.

14. Each Federation has its own system of rating or ranking fighters. A Boxer is free to fight under the auspices of whichever Federation he chooses. For the privilege of staging a fight for any one of the various Federation's Titles, (be it a regional or World Title), the promoter is required to pay an annual subscription to the Federation and a prescribed fee for the particular fight.

The Promoter is moreover responsible to pay the fees and expenses for the officials of the Federation who attend the fight.

#### 15. THE ROLE OF PROMOTERS

Boxing tournaments throughout the world are conceived, negotiated and put together by promoters. Their importance cannot be overestimated. Without their expertise and entrepreneurial skills, no boxing tournament would take place. In respect of any such tournament it is the promoter who is responsible for each and every financial obligation incurred in respect of any such tournament. In return for this, the promoter owns and enjoys the exclusive intellectual property rights associated with the tournament. These include the all-important broadcasting, media and sponsorship rights. It then becomes a balancing act for the promoter between, on the one hand the considerable expenses involved in organising the tournament against, on the other hand, the income to be derived from the exploitation of these exclusive

rights. This is done in the hope of ensuring financial viability of the event – which cannot be guaranteed and which is also not always achieved.

16. It will be readily understood that the cost of staging a local tournament will be far less than staging a major tournament with, say, overseas opponents. On the domestic front, there are some sixty-odd licensed promoters who put together local tournaments.
17. Any young South African professional boxer will commence his career taking part in domestic bouts against local opponents – or possibly opponents from neighbouring African countries. However, as his career advances, it becomes essential, sooner or later to match him against stronger opponents. These will inevitably be overseas opponents. At this point, the expenses of staging such fights become enormous.
18. The adverse Rand to Dollar exchange rate has declined drastically in recent times. Bringing international fighters to South Africa is proving more and more expensive. Many of these fighters earn substantial purses overseas and they demand a premium to travel the long distance to South Africa. Apart from the purse, the local promoter must pay for the airfares, accommodation and local transport of the boxer together with his entourage (usually his trainer, manager, second, and sparring partner.)
19. Any major Title fight staged in South Africa will typically involve costs exceeding many millions of Rands. This is apart from the costs of the undercard which may also include a bout with a foreign boxer, thus further escalating the costs of the particular tournament.



20. Other participants in the industry are also affected by such rising costs and expenses. For example, a licensed trainer will incur substantial costs in establishing and maintaining a gymnasium with the necessary equipment to train boxers. These include a boxing ring, punch bags, exercise machines and so on. Where such a trainer takes on a new young boxer, he has no guarantee whatsoever that his fighter will be successful. In many instances the boxer does not make it, and months of wasted expense is incurred by the trainer. It goes without saying that such young boxers are never in a position to pay for the services rendered by the trainer.

21. If a boxer proves successful, then inevitably he will require a head and assistant trainer, a "cut man" a fitness conditioner, dietician and physiotherapist. The enduring hope of any trainer is that he will one day train a fighter who becomes a world champion. Only then will he be in a position to benefit from the money and time which he has invested in the trainer.

## 22. THE ROLE OF SPONSORSHIPS

As noted above, the extensive expenses incurred in staging a boxing tournament can only be offset by income received from broadcasting and sponsorships.

23. Among the major sponsors of sporting activities throughout the world, are a number of the well known and widely advertised brands. These include well known soft drinks companies, beer and beverage companies, computer and

software companies, motor car companies, and so on. For one reason or another these major and well-known brand names do not advertise in the sport of boxing. It follows that the major source of income for promoters is the broadcasting and media rights. In effect, these rights are critical and crucial to sustaining the sport in the future. If the exclusive rights granted by promoters to broadcasters are curtailed or interfered with, then this will inevitably affect the commercial value of those rights. In turn, this will inevitably reduce the amount of money which those broadcasters are prepared to invest in boxing.

In the present context, if Supersport withdraws its sponsorship from boxing, the sport will come to an end. There is no way that the SABC – given its recent financial history – would ever be in a position to fund boxing so as to sustain it in the future.

## 24. SUMMARY

Boxing continues to enjoy popularity in South Africa, particularly in Gauteng and the Eastern Province. It remains one of the few sports where young sportsmen from impoverished backgrounds can make a success of their lives, and achieve fame and fortune. It is in everybody's interest that this sport should continue and grow in the future. However, the sport faces the financial problems which have been detailed above.

The proposed regulations seek to change fundamentally the current system. This effectively will be in conflict with the statutory obligations of BSA to protect the interests of the participants in boxing, as referred to earlier.

Golden Gloves (Pty) Limited is firmly opposed to the proposed new amendments and believe that they may well bring about the end of boxing in South Africa.

**GOLDEN GLOVES (PTY) LIMITED**



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