



Independent Communications Authority of South Africa
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CNL/0116/2012/INL/0116/2012

**NASHUA MOBILE (PTY) LTD
COMPLIANCE REPORT 2011-2012**

1. INTRODUCTION

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

2. BACKGROUND

On 15 January 2009, the Authority issued Nashua Mobile with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 0174/IECS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 0174/IECNS/JAN/09.

This Annual Compliance Report assesses Nashua Mobile'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. Nashua Mobile's financial year end is **30 September**.

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).

1. INTRODUCTION

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

2. BACKGROUND

On 15 January 2009, the Authority issued Skygistics with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 0077/IECS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 0077/IECNS/JAN/09.

This Annual Compliance Report, assesses Skygistics' compliance with its licence terms and conditions, General Licence Fees Regulations ("ALF"), the Universal Service and Access Fund, Form 1 Standard Terms and Conditions. Skygistics financial year end is **30 November**.

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- subsequent to being granted the above mentioned licences Nashua Mobile commenced operations and it is based in Midrand.

3.1.2 Ownership- Nashua Mobile is a 100% locally owned South African company.

3.1.3 Shareholding- Nashua Mobile's 100% shareholding is owned by Reunert Limited.

3.1.4 Staff- Nashua Mobile has seven hundred and three (703) staff members. All their staff members are South African citizens. Of the seven hundred and three (703) staff members in the company, five hundred and sixty-eight (568) are in the technical department and comprises of 35 % Africans and 38% Whites. Management is composed of nineteen (19) members, majority are eleven (11) White males including three (3) White females.

3.2 LICENCE TERMS AND CONDITIONS

Licence Requirement – Paragraph 2 of the Schedule to the issued Licensees requires *"the licensee to provide national coverage of its electronic communication network services."*

3.2.1 Network Coverage

Geographic Coverage

Nashua Mobile provides national coverage.

Population coverage

Nashua Mobile does not mention population coverage.

3.2.2 Network Type / Infrastructure

Nashua Mobile does not mention whether the infrastructure is wireless / fixed or fibre.

3.2.3 Services offered

Nashua Mobile provides cellular voice solutions, messaging, broadband, internet services and data to its 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 January 2011 to 31 December 2011

Nashua Mobile has made payment within 6 (six) months of their financial year. However, Nashua Mobile has not complied with the regulation as Nashua Mobile has submitted its Audited Annual Financial Statements to the Authority.

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

3.4.2."*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".*

3.4.3.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 January 2011 to 31 December 2011

Nashua Mobile has complied with this regulation, in that Nashua Mobile made payment within 6 (six) months after Nashua Mobile's financial year end as per regulatory requirements.

4. CONCLUSION AND SUMMARY OF PERFORMANCE

4.1 Compliance Procedure Manual Regulations, 2011; Form 1 Standard Terms And Conditions for ECS, ECNS

Nashua Mobile has submitted the required information as requested.

4.2. General Licence Fees Regulations, 2009

Nashua Mobile has complied with the Licence Fees Regulations.

4.3. Universal Service and Access Fund Regulations, 2008

Nashua Mobile has complied with the Universal Service and Access Fund Regulations.