Independent Communications Authority of South Africa

350 Witch-Hazel Avenue,

Eco Point Office Park

Eco Park, Centurion

APPLICATION FOR THE TRANSFER OF OWNERSHIP OF AN INDIVIDUAL ELECTRONIC COMMUNICATIONS SERVICE ("I-ECS) AND ELECTRONIC COMMUNICATIONS NETWORK SERVICE ("I-ECNS") LICENCES FROM DEVINITY TRADING (PTY) LTD TO DEVTEL (PTY) LTD

REASONS FOR DECISION

AUGUST 2026

1. INTRODUCTION

This document sets out the reasons for the decision of the Independent Communications Authority of South Africa ("the Authority") in relation to an application for the transfer of ownership of the I-ECS and I-ECNS licences from Devinity Trading (Pty) Ltd ("the Applicant") to Devtel (Pty) Ltd ("the Transferee").

2. BACKGROUND

2.1. On 5 March 2025, the Authority received an application from the Applicant to transfer ownership of its I-ECS and I-ECNS licences to the Transferee.

2.2. The application was submitted using regulation 11 (Form G) of the Licensing Processes and Procedures Regulations 2010 for Individual Licences[1] ("the Regulations").

2.3. The Applicant did not request confidentiality in terms of section 4D of the Independent Communications Authority of South Africa Act, 2000 (Act No. 13 of 2000) ("the ICASA Act").

2.4. On 23 June 2025, the Authority published General Notice No. 3324 (Government Gazette No. 52894) inviting interested persons to make written representations in relation to the applications within fourteen (14) working days of the date of the publication of the notice.

2.5. No written representations were received by the closing date of 11 July 2025.

2.6. The Authority elected not to hold public hearings as it was of the view that the application was clear, and the Authority did not receive any written representations from the public with respect to the application.

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[1] As amended by Government Gazette No. 39871 of 30 March 2016.

2.7. On 18 August 2026, the Authority approved the Applicant's transfer of ownership of the I-ECS and I-ECNS licences. The licences reflecting the name of the Transferee were issued on 18 August 2026.

3. PARTICULARS OF THE APPLICANT AND THE TRANSFEREE

3.1. The full name of the Applicant is Devinity Trading (Pty) Ltd. The Applicant's principal place of business is 8 Andesiet Road, Amalgam, 2092.

3.2. The Applicant is a private company registered in terms of the Companies Act 2008 (Act No. 71 of 2008), as amended, with the following registration number: 2006/001274/07.

3.3. The full name of the Transferee is Devtel (Pty) Ltd. The Transferee's principal place of business is 4 Michelle Street, Block E, First Floor, Morningside Close Office Park, 2196.

3.4. The Transferee is a private company registered in terms of the Companies Act 2008 (Act No. 71 of 2008), as amended, with the following registration number: 2021/620702/07.

4. APPLICABLE LEGISLATIVE FRAMEWORK

The following legislative and regulatory provisions are applicable when dealing with transfer applications:

(a) section 9(2)(b) of the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended ("ECA")[2];
(b) section 13 (1), (2) and (6) of the ECA;
(c) regulation 11 (Form G) of the Regulations[3];

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[2] The Authority must give notice of the application in the gazette and include the percentage of equity ownership to be held by persons from historically disadvantaged groups, which must not be less than 30%, or such other conditions or higher percentage as may be prescribed under section 4(3)(k) of the ICASA Act.

[3] An application for the transfer ownership of a licence must be (a) in the format set out in Form G; (b) accompanied by the applicable fee; and (c) submitted by the prospective transferor.

(d) regulation 12 of the Regulations[4];

(e) clause 9 of Form G of the Regulations;[5] and

(f) schedule 1 (Administrative Fees) of the General Licence Fees Regulations, 2012 as published in Government Gazette No. 36323 of 28 March 2013 ("Fees Regulations")[6].

5. DISCUSSION AND ANALYSIS

5.1. **Historically Disadvantaged Groups (HDGs) Ownership -**

5.1.1. Section 9(2)(b) of the ECA requires the Authority to give notice of the application in the Government Gazette and:

"*include the percentage of equity ownership to be held by persons from historically disadvantaged groups, which must not be less than 30%, or such other conditions or higher percentage as may be prescribed under section 4(3)(k) of the ICASA Act.*"

5.1.2. The ownership interest held in the Applicant is as follows:

(a)	Siphiwe Sydney Mkhwane	50%
(b)	Nokuthula Lizzie Mkhwane	50%

5.1.3. The ownership interest held by the HDGs in the Applicant is as follows:

(a)	Siphiwe Sydney Mkhwane	50%
(b)	Nokuthula Lizzie Mkhwane	50%

[4] The Authority may refuse to renew or transfer a Licence if the Licensee has not complied with conditions stipulated in regulation 12 of the Regulations.

[5] 9.2 Provide an independent competition analysis report regarding the impact of this transaction on the relevant market clearly marked Appendix 9.2 of Form G.
9.3 Provide a consumer interest analysis report post the transaction clearly marked Appendix 9.3 Form G.

[6] Includes notices published by the Authority pursuant to the provisions of the Regulations.

5.1.4. The Applicant indicated that the ownership interests in the Transferee is as follows:

(a)	Siphiwe Sydney Mkhwane	100%

5.1.5. The ownership interest held by the HDGs in the Transferee is as follows:

(a)	Siphiwe Sydney Mkhwane	100%

5.1.6. The Transferee submitted a sworn affidavit and a copy of Mr. Siphiwe Sydney Mkhwane's Identity Document to confirm the 100% Black ownership.

5.1.7. The Authority is satisfied that the information submitted by the Applicant confirms that the Transferee meets the minimum requirement of 30% equity ownership held by historically disadvantaged individuals as prescribed in terms of section 9(2) (b) of the ECA.

5.2. **Approval by the Authority -**

5.2.1 Section 13(1) of the ECA states that:

"An individual licence may not be let, sub-let, assigned, ceded or in any way transferred, and the control of an individual licence may not be assigned, ceded or in any way transferred, to any other person without the prior written permission of the Authority."

5.2.2 On 5 March 2025, the Applicant applied to the Authority seeking approval for the transfer of ownership of its I-ECS and I-ECNS licences.

5.3. **Prescribed Format -**

5.3.1. Section 13(2) of the ECA states that:

"An application for permission to let, sub-let, assign, cede or in any way transfer an individual licence, or assign, cede or transfer control of an individual licence

may be made to the Authority in the prescribed manner."

5.3.2. The prescribed format is contained in regulation 11 (Form G) of the Regulations, which states that an application to transfer a licence must be:

(a) in the format set out in Form G;
(b) accompanied by the applicable fee; and
(c) submitted by the prospective transferor.

5.3.3. The transfer application was submitted in terms of regulation 11 (Form G) of the Regulations. The Applicant has made the required payment of R157 300,00 (One hundred and fifty-seven thousand and three hundred Rands, as prescribed in the Fees Regulations, for the transfer of ownership of its I-ECS and I-ECNS licences to the Transferee and has accordingly provided the Authority with proof of payment.

5.4. **Application of section 9 (2) to (6) of the ECA -**

5.4.1 Section 13(6) of the ECA provides that "*The provisions of section 9(2) to (6) apply, with the necessary changes, to this section."*

5.4.2 The Authority followed the process outlined in section 9 (2) to (6) read with section 13(6) of the ECA by complying with the following requirements:

(a) Section 9 (2) (a) of the ECA requires the Authority to invite interested persons to apply and submit written representations in relation to the application within the period mentioned in the notice. On 23 June 2025, the Authority gave notice of the application in Government Gazette No. 52894.

(b) In terms of section 9 (2)(b) of the ECA, the application must include the percentage of equity ownership to be held by persons from HDGs, which must not be less than 30% or such other conditions or higher percentage. The application included the percentage of equity ownership to be held by persons from HDGs.

(c) In terms of section 9 (2)(c) of the ECA, when the Authority publishes applications received, such applications must set out the proposed licence conditions that will apply to the licence. Since the application received relates to the transfer of individual licences, and not an amendment thereof, there were no proposed licence conditions published by the Authority.

(d) Section 9 (2)(d) of the ECA requires the Authority to give interested persons an opportunity to submit written responses to any representations submitted in terms of section 9 (2)(a). The Authority did not receive written representations in relation to the application.

(e) Section 9 (2)(e) of the ECA provides that the Authority may conduct public hearings with respect to the applications received. As already indicated in clause 2.6 above, the Authority decided not to hold public hearings.

(f) Section 9 (4)(a) of the ECA provides that applications, representations, responses and other documents relating to an application which are submitted to the Authority must be open to public inspection during the normal office hours of the Authority. The application was made available for public inspection at the Authority's library.

(g) In terms of section 9 (5) of the ECA, the Authority must notify the Applicant of the Authority 's decision, the reasons for the decision and any licence conditions applicable after the consideration of the application(s) and any representations received. The Authority has notified the Applicant of its decision, on 19 August 2026. The reasons for the Authority 's decision is contained in this Notice. The Transferee will be subject to the same licence terms and conditions as were applicable to the Applicant.

5.5. **Refusal to Transfer a Licence -**

5.5.1 Regulation 12 of the Regulations states that the Authority may refuse to renew or transfer a Licence if the Licensee has not complied with one or more of the following:

(a) where the Licensee has been found guilty by the CCC and has not complied with the order of the Authority in terms of section 17 of ICASA Act;

(b) where the Licensee has not paid the Licence fees due and payable at the date of the application; or

(c) where the Transferee's ownership and control by HDGs is less than 30%.

5.5.2 The Applicant has not been found guilty of any contravention by the CCC.

5.5.3 The Applicant has paid the licence fees due and payable at the date of the applications.

5.5.4 The Transferee is 100% owned by HDGs.

5.5.5 The Applicant is up to date with all the licence fees due and payable to the Authority at the time that the transfer application was lodged with the Authority.

5.6. **Competition Analysis Report**

5.6.1 Clause 9.2 of Form G of the Regulations requires the Applicant to provide an independent competition analysis report post the transaction to assess the impact of the transaction on competition after the transfer of the licences.

5.6.2 The Transferee procured the services of an independent consultant, namely, Fides Advisory Services Ltd T/A Networks Anonymous (“Networks Anonymous”) to undertake an independent competition analysis and prepare a report regarding the impact on competition post the transfer of the licences.

5.6.3 **Defining the relevant markets affected by the transaction**

5.6.3.1 **Relevant Market for the Applicant**

5.6.3.1.1 The Applicant submits that it does not provide regulated services in the Information and Communication Technology industry (“ICT”) and has no customers. The Applicant further submits that it is not currently engaged in any trading activities and is essentially a dormant firm.

5.6.3.2 **Relevant Market for the Transferee**

5.6.3.2.1 The Transferee submits that it was established in 2021 and is an Internet Service Provider (“ISP”) involved in the retail supply of internet services as a reseller. In particular, the Transferee is involved in the resale of fixed line internet access and mobile voice and data services.

5.6.3.2.2 However, the Transferee intends to enter the regulated telecommunications markets formally, particularly to provide the retail supply of internet access services from fixed location as an ECS licensee with its own network infrastructure. The Transferee requires an individual licence in order to fulfil these intentions.

5.6.3.3 **Actual and potential existence of competitors**

5.6.3.3.1 According to the Transferee, there are numerous competing resellers who provide fixed line internet access, mobile voice and data services. Some of the larger competing firms include Webafrica, Vox Telecom, MWEB Internet, Axxess Internet etc.

5.6.3.4 **The overall size of each of the market participants**

5.6.3.4.1 The Transferee has not provided its estimated share in the market for the resale of fixed line internet access, mobile voice and data services. However, the Transferee submits that it is a relatively small firm in terms of its size, having only commenced operations in 2021.

5.6.3.4.2 According, the Transferee is still in the process of building its market presence while operating in highly competitive retail markets characterized by numerous ISPs and resellers and low entry barriers.

5.6.3.5 **Control of essential facilities**

5.6.3.5.1 The Transferee submits that it does not own any network infrastructure and, as such, does not control any infrastructure that could be regarded as an essential facility.

5.6.3.6 **Technological advantage and superiority**

5.6.3.6.1 The Transferee states that it does not have any technological advantage and/or superiority and intends to partner with multiple underlying infrastructure providers in order to expand its business offerings.

5.6.3.7 **The nature and extent of vertical integration**

5.6.3.7.1 According to the Transferee, it is not vertically integrated and therefore the proposed transaction is unlikely to result in any negative impact on competition through vertical integration.

5.6.3.8 **Ease of entry into the market**

5.6.3.8.1 The Transferee submits that it requires the transfer of ownership of the Applicant's IECNS and IECS licences in order to commence with offering licensed services.

5.6.4 **Conclusion on the Competition Assessment**

5.6.4.1 After evaluating the impact of the proposed transaction on competition, Networks Anonymous submits that the proposed transaction will not result in any material change in the structure of competition in the retail markets for fixed-line internet access, mobile voice, or data services as the Transferee is a recently established firm and it is still in the process of building its market presence.

5.6.4.2 Based on the information submitted and the assessment of such information, the Division is of the view that the proposed transaction is unlikely to result in any negative effect on competition in the downstream markets for the retail supply of fixed-line internet access, mobile voice and data services.

Clause 9.3 requires the Applicant to provide a consumer interest analysis report post the transaction.

5.7. Clause 9.3 of Form G of the Regulations requires the Applicant to provide a consumer interest analysis report to assess the impact of the transaction on consumer welfare after the transfer of ownership of the licences.

5.8. The Transferee procured the services of Networks Anonymous to undertake a consumer interest analysis and prepare a report regarding the impact of the transaction on consumer welfare after the transfer of ownership of the I-ECNS and I-ECS licences.[7]

5.9. As already mentioned, the Applicant is not actively trading and is essentially a dormant firm. From the perspective of the Transferee, the transaction is likely to have a positive impact on customers and consumer welfare. According to the Transferee, the transaction, if approved, may enable the Transferee to utilise the rights associated with individual licences, including applying for numbering resources, concluding interconnection agreements, and deploying network infrastructure. In particular, these rights may enable the Transferee to expand and improve its product offerings, enhance connectivity and network reach as well as to compete more effectively.

5.10. **Conclusion of the Consumer Interest Analysis Report**

5.10.1. After conducting an evaluation of the impact of the proposed license transfer on consumer interest, the consumer report prepared by Networks Anonymous concludes that the proposed transaction is likely to result in positive consumer welfare outcomes, i.e. by enabling the Transferee to exercise the rights associated with the individual licences. This, in turn, could enhance the Transferee's ability to compete more effectively and expand its service offerings, thus contributing to increased

[7] Appendix 9.3, Consumer Interest Analysis Report.

consumer choice, improved service quality and potentially more competitive pricing outcomes for customers and consumers.

5.10.2. Based on the above evaluation, the Authority is satisfied that the transaction is unlikely to have a negative impact on customers or consumer welfare.

6. AUTHORITY'S DECISION

In the light of the above, on 18 August 2026, the Authority decided to approve the transfer of ownership of the Applicant's I-ECS and I-ECNS licences.

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MOTHIBI G. RAMUSI
CHAIRPERSON

DATE: 28 / 08 **/2026**