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 HELD BY ITAKANE ICT (PTY) LTD IN TERMS OF SECTION 13 OF THE ELECTRONIC COMMUNICATIONS ACT 36 OF 2005

REASONS FOR DECISION

OCTOBER 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 Itakane ICT (Pty) Ltd ("the Applicant") to Zoom Fibre (Pty) Ltd ("the Transferee").

2. BACKGROUND

2.1. On 26 September 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 requested 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 14 April 2026, the Authority published General Notice No. 3885 (Government Gazette No. 54508) 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 6 May 2026.

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.

[1] As amended by Government Gazette No. 39871 of 30 March 2016 and Government Gazette 48331 of 30 March 2023.

2.7. On 20 October 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 20 October 2026.

3. PARTICULARS OF THE APPLICANT AND THE TRANSFEREE

3.1. The full name of the Applicant is Itakane ICT (Pty) Ltd. The Applicant's principal place of business is Ground Floor, 35 Ferguson Road, Illovo, Sandton, 2196.

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: 2016/012655/07.

3.3. The full name of the Transferee is Zoom Fibre (Pty) Ltd. The Transferee's principal place of business is Homestead Place, Cnr 12th Avenue and Homestead Road, Edenburg, Sandton, 2128.

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: 2019/288514/07.

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;

[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.

(c) regulation 11 (Form G) of the Regulations[3];

(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:[7]

(a)	Empire Partner Trust	50%
(b)	Brenda Lee Chetty	25%
(c)	Jacqueline Joyannah Govender	25%

5.1.3. The ownership interest held by HDGs in the Applicant is 100%.

[3] An application for the transfer of control 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.

[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.

[7] Appendix 6.1 of form G to the Application for Transfer the License.

5.1.4. The ownership interests in the Transferee are as follows:[8]

(a)	Zoom Holdings Group (Pty) Ltd	45%
(b)	Nextgen Fibre (Pty) Ltd	50%
(c)	A-Z Financial Services (Pty) Ltd	5%

5.1.5. The transferee indicated that 100% of its ownership interest is held by HDGs and has provided a B-BBEE certificate as confirmation.[9] Therefore, the ownership interest held by the HDGs in the Transferee if the application is approved, will be 100%.

5.1.6. 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 26 September 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:

[8] Appendix 7.1 of form G to the Application for Transfer the License.
[9] B-BBEE Verification certificate dated 19 December 2025.

"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 R164 222,00 (One hundred and sixty-four thousand two hundred and twenty-two 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 14 April 2026, the Authority gave notice of the application in Government Gazette No. 54508.

(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 that 100% percentage of equity ownership will 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 Applications were made available for public viewing at the Authority's library and website.

(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 and any representations received. The Authority has

notified the Applicant of its decision, on 20 October 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 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 ownership of the licences.

5.6.2 The Applicant and Transferee procured the services of an independent consulting firm, namely, Fides Advisory Services, trading as Networks Anonymous, to undertake an independent competition analysis and prepare a report regarding the impact on competition post the transfer of the licences ("the CAR").

5.6.3 **Defining the Relevant Markets**

5.6.3.1 The CAR records that the Applicant is a dormant entity who does not provide any services in the ICASA defined markets. However, according to the Applicant's website, it offers technological innovation in the areas of AI and IoT's. The Transferee is an open access fibre network operator and is involved in rolling FTTH network infrastructure in selected suburbs as well as FTTB, nationally. The Transferee's open access network offers end-users a variety of ISPs to select from. Additionally, the Transferee builds, operates, and maintains the fibre network infrastructure.

5.6.3.2 **Product Market Definition**

5.6.3.2.1 In line with Section 67(4) of the ECA, the relevant markets of the Transferee for assessment include:

- Wholesale supply of internet connectivity; and
- Fixed access services

5.6.3.2.2 The Transferee's core network, i.e. the linkages between network nodes in metropolitan centres and the rest of the world, depends on the availability of services in the following markets:

- International transmission services;
- National transmission services; and
- Metropolitan connectivity.

5.6.3.3 **Geographical Market Definition**

5.6.3.3.1 In relation to the relevant geographic market, the Applicant operates nationally within South Africa.

5.6.3.3.2 In relation to the relevant geographic market, in terms of the CAR, the Transferees operate nationally within South Africa and require global internet access for its operations. According to the Transferee, access to the global internet depends on having access to subsea cables. ICASA has not yet planned a review of this market due to the quantity of existing cables as well as the size and scope of cables being built. In this market, neither the Transferee nor the Applicant own infrastructure. As a result, the level of competition in this market is unaffected by the planned transfer.

5.6.4 **Market Structure and Competitive Landscape**

5.6.4.1 Section 67(5) of the ECA, as amended, provides that: *"A licensee has significant market power in a market or market segment if that licensee:*

(a) is dominant;

(b) has control of an essential facility; or

(c) has a vertical relationship that the Authority determines could harm competition".

5.6.4.2 **Actual and Potential Competitors**

5.6.4.2.1 The parties state that there is no single player in the South African market who owns infrastructure and provides services exclusively in either of the identified two markets. Rather, different players have targeted different geographic areas, with Telkom Group South Africa being the only market player with a geographic footprint that connects to almost all towns and cities in South Africa. Reference to an article published by Telcomms Channel indicates that the national and metropolitan connectivity services markets in South Africa are characterised by the presence of several major infrastructure owners, including Openserve, DFA, Vumatel, MetroFibre, Frogfoot, MTN, Vodacom, and Liquid Intelligent Technologies, all of which own and operate significant national and/or metropolitan electronic communications network infrastructure.[10]

5.6.4.2.2 Figure 1 below illustrates that Telkom Group South Africa has a substantial market position despite the fact that there are at least 12 competitors in the combined National Transmission and Metropolitan Connectivity markets.

[10] South Africa's Fibre Revolution In 2025 - Telecoms Channel

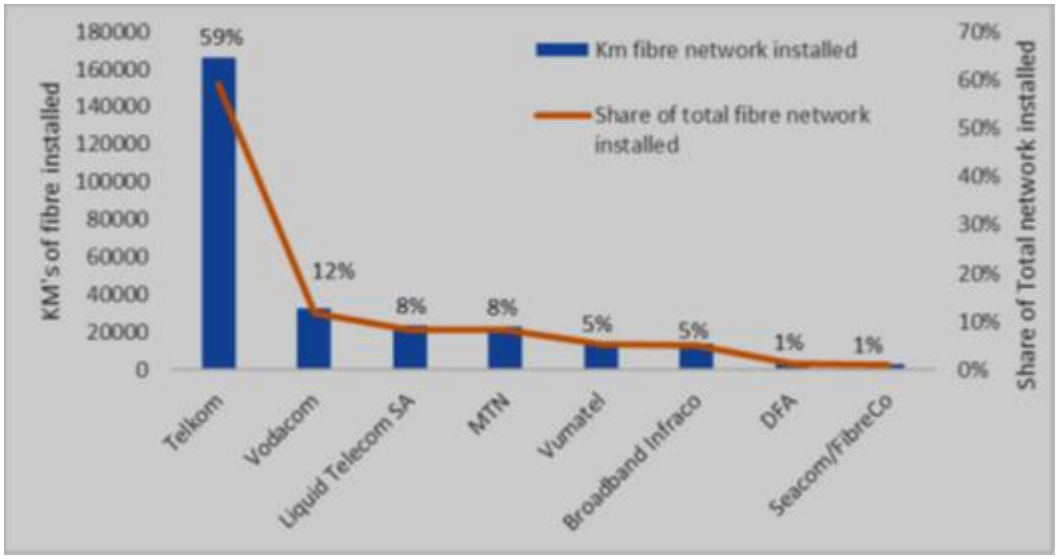


Figure 1
Source: page 6 of competition report

5.6.4.3 **Control over Essential Facilities**

5.6.4.3.1 Figure 2 below compares the homes passed and homes connected for the top 10 fibre network operators in South Africa as of February 2026. The Transferee has constructed fixed access network infrastructure passing 191,636 homes.

5.6.4.3.2 The Transferee submits that its deployed fibre passes just 4% of the total number of homes passed by fibre infrastructure in South Africa, as of December 2023. The Transferee further states that this 4% cannot be directly translated to market shares when accounting for network over-build/network duplication.

Fibre network operator	Homes passed	Homes connected	Connectivity rate
Vumatel	2,040,231	864,208	42.36%
Openserve	1,501,406	786,490	52.38%
Herotel	606,388	273,289	45.07%
MetroFibre	515,000	175,000	33.98%
Frogfoot	446,000	187,000	41.93%
Octotel	400,000	135,000	33.75%
Net Nine Nine	300,000	100,000	33.34%
Fibertime	251,460	Unknown	Unknown
Zoom Fibre	191,636	65,100	33.97%
Evotel	175,000	52,500*	30.00%

Figure 2
Source: page 7 of competition report

5.6.4.4 Nature and Extent of Horizontal Integration

5.6.4.4.1 The proposed transaction is unlikely to result in significant horizontal integration as the parties operate predominantly in distinct segments of the ICT value chain, with the Applicant focusing on AI and IoT's smart solutions, and the Transferee focusing on electronic communications network infrastructure and services.

5.6.4.5 Nature and Extent of Vertical Integration

5.6.4.5.1 Vertical integration arises where parties operate at different levels of the same supply chain. The application poses a clear vertical relationship because the operations of the Applicant, i.e. AI, IoT, and smart city solutions often rely on underlying electronic communications networks and connectivity

infrastructure that is provided by the Transferee's network infrastructure and communications services that support those technology solutions.

5.6.4.5.2 In relation to the incentive to engage in input foreclosure in the provision of market services, the transfer itself does not appear to substantially foreclose competitors or materially alter market structure. Rather, it appears intended to place the licence with the entity operationally responsible for network activities.

5.6.4.5.3 The proposed transaction reflects a degree of vertical integration insofar as the activities of the Applicant may utilise or depend upon the electronic communications network infrastructure and services provided by the Transferee. The vertical relationship is therefore complementary in nature and aligns the licence with the entity responsible for the operation and management of the relevant network infrastructure. The expansion of ICT investment portfolio brought on because of this transfer aligns with ICASA's broader regulatory strategy of focusing on digital infrastructure mapping and lessening infrastructure duplication within the ICT sector.

5.6.4.6 **Conclusion on the Competition Assessment**

5.6.4.6.1 After evaluating the impact of the proposed licence transfer on competition, the independent competition report submitted by Networks Anonymous indicates that the proposed transaction is unlikely to result in anti-competitive effects in relation to the ICT market. This is due to the inconsequential effects resulting from vertical and horizontal integration, and the presence of other competitors.

5.6.4.6.2 Based on the analysis conducted, the Authority is of the view that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in the relevant markets. The parties primarily operate in complementary segments of the ICT value chain, with limited horizontal overlap between their activities. While the transaction reflects a degree of vertical integration, the extent thereof appears limited and is not likely to give rise to input foreclosure or the exclusion of competitors from the market. Furthermore, the presence of several established network infrastructure operators within the national and metropolitan connectivity services markets is likely to constrain the ability of the parties to exercise market power post-transaction. Accordingly, the Authority is satisfied that the proposed transfer will not result in any material anti-competitive effects in the ICT Sector post conclusion of the transfer.

5.7. **Consumer Interest Analysis**

5.7.1. 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.

5.7.2. The Applicant and 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 control of the I-ECNS and I-ECS licences ("CIA").

5.7.3. It is submitted in terms of the CIA that the Applicant currently does not provide any services under the licences that it holds. Therefore, the transfer of the licence to the Transferee will have no impact on consumers of the Applicant. Subscribers of the Applicant will not

experience any change in services being provided nor experience any potential price or quality of service discrimination in future.

5.7.4. The transfer of the licences will allow the Transferee to use the right to deploy network infrastructure to acquire maintenance wayleaves in order to conduct network performance testing, identify network defects, and initiate network repairs. Therefore, according to the Transferee, existing end users may experience less network downtime as the time required to restore and fix network issues is reduced. The Transferee also puts forward that the transfer of the licences will allow it to seek new network locations in which to install network infrastructure. In some circumstances, users may benefit from a wider range of fibre providers in their suburb. In other circumstances, consumers may benefit from the Transferee being the first to construct fibre infrastructure in an area without high-speed last-mile fixed-line infrastructure.

5.7.5. The transfer does not prejudice consumer welfare as contemplated in sections 2(n) and 8(2)(m) of the ECA, as it does not reduce service quality, restrict consumer choice, or lessen competition. Instead, the transfer improves operational efficiency and strengthens the licensee's ability to meet its obligations to subscribers and end-users.

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

5.7.6.1. After conducting an evaluation of the impact of the proposed license transfer on consumer interest, the consumer report prepared by Networks Anonymous concludes that there will not be any adverse effects on clients or consumers from the proposed transaction.

5.7.6.2. The Authority finds that the transaction is not expected to reduce consumer choice or materially alter market concentration, particularly given the presence of several established operators in

the national and metropolitan connectivity services markets. Accordingly, consumers are unlikely to experience adverse effects in relation to pricing, service quality, or access to services as a result of the proposed transfer.

6. AUTHORITY'S DECISION

In the light of the above, on 20 October 2026, the Authority decided to approve the transfer of ownership of the Applicant's I-ECS and I-ECNS licences.



MOTHIBI G. RAMUSI
CHAIRPERSON

DATE: 23 / 10 /2026