



Independent Communications Authority of South Africa  
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**CNL/0465/2012/INL/0465/2012**

**SKYGISTICS (PTY) LTD  
COMPLIANCE REPORT 2011-2012**

## **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 Skygistics commenced operations in 2000 and is based in Cape Town.

**3.1.2 Ownership- Skygistics** – is locally owned. In terms of its shareholding 72% of the company is owned by a historically disadvantaged individual.

**3.1.3 Shareholding-** Skygistics has three (3) shareholders all of whom are South Africans. The shareholders are: CJ Hattingh who holds 29%, KR Eborall who holds 29% and Mowana Investment which holds 42%.

**3.1.4 Staff-** Skygistics has 18 (eighteen) staff members. All their staff members are South African citizens. The staff is categorised as follows: Technical, non-technical and management. In terms of Form 1 Skygistics does not offer any internship. Of the 18 (eighteen) staff members in the company only three (3) are in the technical department, two (2) are White males with one (1) White female. Management is composed of seven (7) members, six White males and one (1) White female.

## **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 communication network services.*”

### **3.1.1 Network Coverage**

#### **Geographical coverage**

Skygistics as a satellite network operator covers the entire country.

### **3.1.2 Network Type / Infrastructure**

Skygistics utilises fixed or fibre network and third party wireless facilities.

### **3.1.3 Services offered**

The service offered is to track vehicles and asset management.

### **3.2. GENERAL LICENSE FEES REGULATIONS, 2009**

The General Licence Fees Regulations came into operation on the date of publication, being 01 April 2009.

**3.2.1. Regulatory Requirements – Regulation 5:** provides that *"Payments in respect of annual licence fees are due as prescribed in schedule 3."*

**3.2.2. 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**

*1 December 2011 to 30 November 2012*

Skygistics has complied with these Regulations in that it made payment within 6 (six) months of their financial year end. Skygistics submitted its Audited Annual Financial Statements to the Authority.

### **3.3. UNIVERSAL SERVICES AND ACCESS FUND REGULATIONS, 2011**

The USAF Regulations were published on 10 February 2011 and came into operation on the same date.

**3.3.1. 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"*.

**3.3.2. 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**

*1 December 2011 to 30 November 2012*

Skygistics has complied with this Regulation, in that Skygistics made payment within 6 months after Skygistics 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**

Skygistics submitted the required information as requested.

#### **4.2. General Licence Fees Regulations, 2009**

Skygistics has complied with the Licence Fees Regulations.

#### **4.3. Universal Service and Access Fund Regulations, 2008**

Skygistics has complied with the Universal Service and Access Fund Regulations.