



Independent Communications Authority of South Africa  
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**SWIFTNET (PTY) LTD**  
**COMPLIANCE REPORT – 2011/2012**

## **1. INTRODUCTION**

The following reports are intended to give an account of Licensees compliance for the 2011/2012 financial year. Swiftnet (Pty) Ltd 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 ("Swiftnet") with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 007/IECNS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 007/IECS/JAN/09.

This Annual Compliance Report assesses Swiftnet's compliance with the General Licence Fees Regulations ("ALF"), the Universal Service and Access Fund ("USAF"), Form 1 Standard Terms, Conditions and Licence terms and conditions. Swiftnet Financial year end is **31 March**. 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 BB**

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** –Swiftnet has commenced operations in 1994 as a profit company.

**3.1.2. Ownership** –Swiftnet is 100% owned by South African citizens.

**3.1.3. Shareholding** – Swiftnet has one (1) shareholder which is Telkom group, Swiftnet has 1.96% woman ownership of its shares.

**3.1.4. Directors** – Swiftnet has four (4) Directors who are all South Africans namely: JC Myers, NF Parrot, GJ Rasethaba and TR Sibisi.

**3.1.5. Staff** - Swiftnet has one hundred and twelve (112) staff members. Swiftnet has 12 males in technical staff and has 3 females. Swiftnet has 64% males in management, the majority of staff in management are whites and there are no people with disabilities in all Swiftnet staff categories.

## **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."*

### **3.2.1. Network Coverage**

#### **Geographical Coverage**

Swiftnet (Pty) Ltd Network covers the whole of South Africa where there's MTN and Vodacom Network. Swiftnet (Pty) Ltd uses both networks for the backup system, so that when there's a problem with Vodacom network their clients will not have a problem but MTN Network will be there as a backup, and visa vesa.

#### **Population Coverage**

Swiftnet (Pty) Ltd cannot estimate the population coverage as they cover the MTN and Vodacom areas; their percentage depends on MTN and Vodacom coverage.

**3.2.2. Network Type / Infrastructure** - Swiftnet (Pty) Ltd uses a wireless service device to render its services to its clients.

**3.2.3. Services offered** - For the main business Swiftnet (Pty) Ltd uses VPN services which is wireless for their corporate clients.

### **3.3. GENERAL LICENSE FEES REGULATIONS, 2009; FORM 2**

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

**3.3.1. Regulatory Requirements – Regulation 5:** requires licensees to *"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 April 2011 to 31 March 2012*

Swiftnet (Pty) Ltd has complied with this regulation, in that Swiftnet (Pty) Ltd made its payment on 27 September 2012, Swiftnet (Pty) Ltd annual general licence fees payment was made within six (6) months of its financial year end.

### **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 *"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".*

- 3.4.2. 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**

*01 April 2011 to 31 March 2012*

Swiftnet (Pty) Ltd has complied with this regulation, in that Swiftnet (Pty) Ltd made its payment on 27 September 2012, Swiftnet (Pty) Ltd USAF payment was made within six (6) months of its financial year end.

## **4. CONCLUSION AND SUMMARY OF PERFORMANCE**

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

Swiftnet (Pty) Ltd has complied with the Licence Fees Regulations.

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

Swiftnet (Pty) Ltd has complied with the Universal Service and Access Fund Regulations.

### **4.3. Compliance Procedure Manual Regulations, 2011; Form 1 Standard Terms And Conditions For ECS, ECNS**

Swiftnet (Pty) Ltd complied with Standard Terms and Conditions for ECS/ ECNS.

### **4.4. National coverage ,License terms and conditions**

Swiftnet (Pty) Ltd complied with this Regulation in that it provides its network nationally as it says that it provide the network in all areas that are covered by MTN and Vodacom, since these two networks provides its services nationally.