



Independent Communications Authority of South Africa  
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**ECS/ECNS/0267/JAN/09**

**TELESTREAM COMMUNICATIONS (PTY) LTD  
COMPLIANCE REPORT – 2011/2012**

## **1. INTRODUCTION**

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

## **2. BACKGROUND**

On 12 August 2009, the Authority issued Telestream Communications with the following converted Licences:

- Individual Electronic Communications Network Services (I-ECNS) Licence with licence number 0267/IECNS/JAN/09; and
- Individual Electronic Communications Services (I-ECS) Licence with licence number 0267/IECS/JAN/09.

This Annual Compliance Report assesses Telestream Communication's compliance with Licence Terms and Conditions, the General Licence Fees Regulations ("ALF"), the Universal Service and Access Fund and Form 1 Standard Terms and Conditions. Telestream Communication's financial year end is **28 February**.

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 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-** Telestream Communications is a profit company and it is based in Johannesburg.

**3.1.2 Ownership** – Telestream Communications – the ownership of the company is limited to local ownership and it is predominantly owned by HDIs.

**3.1.3 Shareholding-** Telestream Communications has two (2) shareholders all of whom are South Africans. The shareholders are: Ahmed Shaazim Khamissa who holds 50% and Nadar Khamissa who holds the other 50%.

**3.1.4 Staff-** Telestream Communications has twenty (20) staff members, two (2) of which are expatriates. The staff is categorised as follows: technical, non-technical, management, non-management. In terms of its submission, Telestream Communications does not offer internships. Of the twenty (20) staff members in the company twelve (12) are in the technical department, all of which are black South Africans. In its management, the company is entirely made of black staff members.

## **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 –**

Telestream Communications states that it does not own a network and its services to subscribers are delivered through companies like Vodacom, MTN, Cell-C and Vox Telecom for the majority of which the company is a mobile SIM card distributor.

### **3.2.2. Network Type / Infrastructure**

Telestream Communications has no network or infrastructure.

### **3.2.3. Services Offered**

Telestream Communications provides:

- International voice calls;
- SIM card distribution; and
- Other wireless services like bulk SMSes and games.

### **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 – Regulation 1 (4) under Schedule 3** 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 March 2011 to 28 February 2012*

Telestream Communications has not complied with the above Regulations in that it made a payment in respect of its annual licence fees outside the required period of six (6) months. The payment was due and payable on or before 30 August 2012 but Telestream Communications only paid on 05 November 2012.

### **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*

Telestream Communications has not complied with the above Regulations in that it made the prescribed payment in respect of its USAF contributions outside the required period of six (6) months within a licensee's financial year end and therefore the company has failed to comply. The payment was due and payable by 30 August 2012 but Telestream Communication only paid on 05 November 2012.

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

#### **4.1 . GENERAL LICENCE FEES REGULATIONS, 2009**

Telestream Communications has not complied with these Regulations in that its annual licence fees were not paid within 6 months of its financial year end as required by the Regulations.

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

Telestream Communications has not complied with these Regulations in that its contributions were not paid within 6 months of its financial year end as required by the regulations.

#### **4.3 . NATIONAL COVERAGE – LICENCE TERMS AND CONDITIONS**

Telestream Communications states that it does not own a network. The company believes that the Licence term is not applicable to it as it does not own or operate a network.