

Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Vol. 560

Pretoria, 2 February
Februarie 2012

No. 34999

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GENERAL NOTICE

NOTICE 93 OF 2012



INVITATION TO APPLY FOR INDIVIDUAL COMMERCIAL SUBSCRIPTION BROADCASTING SERVICE LICENCE

1. INTRODUCTION

The Independent Communications Authority of South Africa ("the Authority") hereby, in terms of section 9 of the Electronic Communications Act, Act No. 36 of 2005, ("the ECA"), invites applications for Individual Commercial Subscription Broadcasting Service Licences.

All applications will be considered based on the requirements of this Invitation To Apply ("ITA"), applicable regulations developed by the Authority and the ECA.

A handwritten signature in black ink, appearing to be 'S. Mncube', written over a horizontal line.

Dr Stephen Mncube
Chairperson

BEFORE COMPLETING THE APPLICATION FORM, APPLICANT S MUST CAREFULLY READ THE NOTES UNDER SCHEDULE A AND MUST ALSO REFER TO ALL APPLICABLE REGULATIONS AND THE RELEVANT PROVISIONS OF THE ECA

SCHEDULE A

1. Applications must be made in writing.
2. Applications must answer all questions set out in this application form fully. If any question is considered not applicable, please mark N/A with further explanation.
2. The Applicant must provide the original plus fifteen hard copies and three soft copies of the completed application form before the closing date indicated in paragraph 19 below.
3. In terms of section 4D of the Independent Communications Authority of South Africa Act, Act 13 of 2000 ("ICASA Act"), Applicant s may request that any part of the application be treated as confidential. The Applicant s must submit separate original plus all fifteen hard copies and all three soft copies of the information which confidentially is requested and clearly mark it as such before the closing time indicated in paragraph 19 below.
4. All applications, save for confidential information referred above, made pursuant to this ITA will be made available for inspection by interested persons and copies of the applications will be obtainable at the Authority's library upon payment of a fee. The applications will also be made available on ICASA's website: www.icasa.org.za.
5. Each application must be permanently bound (using either heat binding or spiral binding).
6. Each application must have a cover page with the name of the Applicant, the proposed name of the broadcasting service and year of application on it.

7. The page(s) immediately following the cover must be the contents page(s) which detail each section of the application and corresponding page numbers.
8. Pages including the appendices must be numbered sequentially starting with the page immediately following the contents page(s) as page 1 and ending with the very last page of the application.
9. In the event that the Applicant has to submit its application in more than one part or volume, each part or volume must have a cover page. In this case the cover page must specify the number of the part or volume (i.e. Part one, Part Two or Volume One, Volume Two). Each volume or part must also have the full set of content pages and sequentially numbered as indicated above.
11. The application must include a percentage of equity ownership held by persons from historically disadvantaged groups (HDGs) that is not less than 30%.
12. In terms of section 52 of the ECA, no broadcasting service licence may be granted to any party, movement, organization, body or alliance which is of a party-political nature.
13. Applicant s for the provision of a subscription broadcasting service must indicate how the broadcasting service will make use of digital technology to cater for the needs of people with disabilities.
14. Applicants must take into account the limitations provided in terms of sections 64, 65, 66 ECA, amongst others.

15. Every application for the provision of a subscription sound broadcasting service must be accompanied by a proof of payment of non-refundable application fee of seventy thousand rand (R70 000.00).
16. Every application for the provision of a subscription television broadcasting service must be accompanied by a proof of payment of non-refundable application fee of one hundred thousand rand (R100 000.00).
17. Every application for the provision of a subscription composite (sound and television) broadcasting service must be accompanied by a proof of payment of non-refundable application fee of one hundred and seventy thousand rand (R170 000.00). The payment shall be in the form of an electronic transfer or via a direct deposit into following ICASA bank account:
BANK: First National Bank
BRANCH: Weirda Valley
BRANCH CODE: 260950
ACCOUNT NO: 61037058222
REFERENCE: Name of your station
18. Applications must be addressed for the attention of the General Manager: Licensing and Compliance and be submitted at Block D, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg.
19. The closing date for the submission of applications shall be no later than 11:00 am, South African time, on or before **11 July 2012**.
20. Failure to comply with any of the above requirements will render the application liable for disqualification.

SECTION 1: GENERAL**1. NAME OF THE APPLICANT AND PROPOSED STATION NAME****1.1 NAME OF APPLICANT****1.2 PROPOSED STATION NAME(S)****2. NATURE OF THE SERVICE**

(Sound or television or composite)

3. IS A SERVICE MULTI OR SINGLE CHANNEL?**4. LICENCE AREA**

5. CONTACT PERSONS**5.1 MAIN CONTACT PERSON(S)**

Provide details of no more than two individuals designated to deal with any press, public and general enquiries.

1. NAME	1. NAME
2. TELEPHONE NUMBER/S	2. TELEPHONE NUMBER/S
(W)	(W)
(H)	(H)
CELL	CELL
E-MAIL	E-MAIL
3. FAX NUMBER/S	3. FAX NUMBER/S
4. POSTAL ADDRESS	4. POSTAL ADDRESS
POSTAL CODE	POSTAL CODE
5. PHYSICAL ADDRESS	5. PHYSICAL ADDRESS

SECTION 2: CORPORATE STATUS

6. CORPORATE STATUS

Demonstrate if the Applicant, in the case of :	
Natural person, is a citizen of South Africa	
If the Applicant is a juristic person:	
Indicate the legal form of the Applicant (e.g. private company incorporated in terms of the Companies Act):	
Registration number of the Applicant:	
Attach certified copies of the Applicant's certificate of incorporation and memorandum and articles of association or other constitutive documents of the Applicant (e.g. memorandum and articles of association, association agreement, constitution) indicating the Applicant's compliance with the requirements of section 5(8) (b) of the ECA. ATTACH AS APPENDIX 6.1	
If the Applicant is not a juristic person but intends to operate as one must demonstrate that they have lodged an application to register as a juristic person in terms of section 5(8) (b) of the ECA. ATTACH AS APPENDIX 6.2	
Provide a resolution authorizing the signatory to this application to sign this application and/or to represent the Applicant at the Authority's hearings in respect of this application. ATTACH AS APPENDIX 6.3	
Indicate how the percentage of equity ownership to be held by persons from historically disadvantaged groups which must not be less than 30% in the Applicant is calculated. ATTACH AS APPENDIX 6.4	
Indicate whether, pursuant to the memorandum and articles of association or any other similar document, any person is in a position to appoint, or veto the appointment of at least half the directors of the board or in any other way to direct or restrain the company on substantial management or other issues. ATTACH AS APPENDIX 6.5	

7. MANAGEMENT

- 7.1 Full details must be provided of each member of Applicant's senior management including all directors, members, trustees as the case may be. The following information must be provided.

Name, identity number, gender, address, nationality, occupation, qualifications and management competencies.

ATTACH AS APPENDIX 7.1

- 7.2 Describe briefly the personal background and relevant previous experience, and state which post the individual would occupy.

ATTACH AS APPENDIX 7.2

- 7.3 State whether each individual has actually confirmed his or her willingness to accept the post, if offered.

ATTACH AS APPENDIX 7.3

- 7.4 Indicate whether any of the individuals is an office bearer or employee of any political party.

ATTACH AS APPENDIX 7.4

- 7.5 If the person(s) concerned has any shares in the Applicant, the number and indicate class of those shares.

ATTACH AS APPENDIX 7.5

7.6 Will any of the persons referred to above, if a licence was granted to the Applicant, be in a position to control the operations of the Applicant?

7.6.1 Provide a full and complete record of applicant's senior management including all directors, trustees as the case may be in situations requiring trust and candour must be provided.

ATTACH AS APPENDIX 7.6.1

7.6.3 Provide a full and complete business record of the Applicant.

ATTACH AS APPENDIX 7.6.2

7.7 In providing the business record referred to above, it must be stated, whether the person(s) or applicant concerned has any other media interests. Full details must be given of all management positions held during the past five years. The record must also indicate whether the person concerned has any particular experience relating to the management of a Commercial Subscription Broadcasting Service.

ATTACH AS APPENDIX 7.7

8. STAFFING

8.1 Provide a staff organizational chart showing all proposed station management and staff posts, and indicate clearly the planned reporting structure.

ATTACH AS APPENDIX 8.1

8.2 Give the proposed number of full-time and part-time staff per department (e.g. programming, news, sales, technical, etc.) as appropriate to Applicant's proposal, and the total number of staff.

ATTACH AS APPENDIX 8.2

- 8.3 If applicable, indicate clearly any management or staff positions which will be shared, within a group operating structure, between the radio service proposed for this licence area and any existing broadcasting service.

ATTACH AS APPENDIX 8.3

- 8.4 List any activities which will be contracted-out to agencies, consultants, etc.

ATTACH AS APPENDIX 8.4

- 8.5 Give details of the qualifications and competency of the staff indicated above.

ATTACH AS APPENDIX 8.5**9. APPLICANT 'S GENERAL HISTORY AND DEVELOPMENT STRATEGY**

Describe how, and when, the Applicant was formed, and how it has developed since then. If the Applicant is, or includes, an existing ICASA licensee, give details of its history and current media operations. Describe principles upon which Applicant's future development strategy is based, and its general objectives in applying for this licence.

ATTACH AS APPENDIX 9

10. EXTERNAL ASSISTANCE

Provide particulars of any individual or corporate entity, other than directors or executives of the Applicant's company, who are assisting the Applicant (e.g. legal or financial advisers, research consultants, etc.) State their roles in assisting the Applicant's operation.

ATTACH AS APPENDIX 10

11. OTHER INTERESTS

Details are required of the involvement of the Applicant and its participants (including shareholders and senior management) in any of the activities listed below, and the extent of the interest.

11.1 Advertising agencies;

ATTACH AS APPENDIX 11.1

11.2 Non-RSA broadcasting interests;

ATTACH AS APPENDIX 11.2

11.3 Newspapers (including holdings in a group having substantial control over one or more newspapers);

ATTACH AS APPENDIX 11.3

11.4 Other broadcasting interests (including radio, television, satellite and cable broadcasting, and allied activities);

ATTACH AS APPENDIX 11.4

11.5 Other publicly-funded bodies.

ATTACH AS APPENDIX 11.7

<p>SECTION 3: FINANCE</p>

12. SUMMARY OF BUSINESS PLAN

Summarize the main assumption underpinning the Applicant's business plan e.g. trends in audience share and subscription revenue (and the relationship between them), taking into account expected subscription broadcasting developments and competition from other media; marketing policies; ownership and control patterns, and the Applicant's own business development strategy, etc.

ATTACH BUSINESS PLAN AS APPENDIX 12

13. PRO FORMA FINANCIAL STATEMENT

13.1 Projected Cash Flow Statement

Provide cash flow projections, estimating financing and operating activities for each of the first 5-9 years of operation. Provide explanatory notes and a full listing of the underlying assumptions on which the financial projections are based. These projections may be provided either as part of the main application document, or on separate schedules as an appendix to it; whichever approach is preferred.

ATTACH AS APPENDIX 13.1

13.2 Projected Income Statement

Provide projected Income Statement estimating annual Revenue and Expenditure for each of the first 5-9 years of operation.

ATTACH AS APPENDIX 13.2

13.3 Projected Annual Operating Expenses

Provide projected annual operating expenses, estimating annual operating expenses for the first five years of broadcasting.

ATTACH AS APPENDIX 13.3

13.4 Balance sheet

Provide balance sheet.

ATTACH AS APPENDIX 13.4

14. FINANCIAL REQUIREMENTS AND SOURCES

Provide details of total funding requirements, i.e. what are the total funds available to finance the proposed broadcasting venture (Equity and Debt details) and what are the individual sources of these funds e.g. Bank loan(s), share capital, other loans, etc.

ATTACH AS APPENDIX 14

15. FIXED ASSETS

Provide a summary of tangible assets, as at the proposed on-air date, categorized under the heading of fixtures and fittings, studio equipment, transmitter equipment's, vehicle and other assets. Show the level of assets financed by leasing (or similar) arrangement within a category, and indicate any assets brought in at nil cost.

ATTACH AS APPENDIX 15

Note: Among the following questions, complete only those which are appropriate to the Applicant's chosen method(s) of funding: if not applicable, mark 'N/A'.

16. SHARE CAPITAL

Classes of share capital:

	Class	Number	Par value	Issue price (if different)
Voting				
Non-voting				
Preference				
Other (Specify)				

ATTACH AS APPENDIX 16**17. PROPOSED INVESTORS**

17.1 Provide a copy of all shareholders' agreements.

ATTACH AS APPENDIX 17.1

17.2 Set out details of all voting shareholding (excluding any nominated membership shares), and holders of non-voting shares and loans stock, distinguishing clearly between these categories, and also showing beneficial owner(s) if not the same. (Further pages may be added, or the layout altered, if necessary).

Name of investor	Address	Investment R

ATTACH AS APPENDIX 17.2

Note: The Authority would like to be reassured that reasonable evidence can be provided of bona fide investors, before granting a licence. Written confirmation of agreements in principle should be submitted from all proposed investors (as stated above) of more than 3% of the Applicant 's total financing, covering in particular the amount to be invested, the percentage shareholding, and any preconditions to making this investment.

18. METHOD (S) OF RAISING CAPITAL

Describe briefly the method(s) by which share/loan capital is to be raised (e.g. whether a prospectus will be issued, and the timescale involved). Give details of any proposal to have share capital publicly quoted.

ATTACH AS APPENDIX 18

Will any funds, credits or other financial assistance for the construction, purchase or operation of the station be provided by foreigners, foreign entities, domestic entities controlled by foreigners, or their agents? If yes, please specify the amount.

19. OTHER LOANS

If appropriate, give details of lender, interest rate and repayment terms.

ATTACH AS APPENDIX 19

20. BANK FACILITIES

Provide details of bank facilities or other credit arrangements which exists or are planned, including evidence of confirmation from the lender(s) of:

- i Terms of borrowing (repayments, covenants. etc.);
- ii Securities given and /or charges against the company; and
- iii Lenders and any guarantees provided.

ATTACH AS APPENDIX 20

21. GRANTS AND DONATIONS

If it is planned to use alternative or additional sources of funding for capital expenditure (i.e. other than share capital or loan stock) list these below. Mention any preconditions regarding the purpose of use to which these may be put.

Note: Applicant 's attention is drawn to guidelines on funding by public bodies.

Source of funds	Type of funding agency (e.g. charitable trust)	Amount

ATTACH AS APPENDIX 21

Note: Written confirmation of agreements in principle should wherever possible be submitted from proposed sources (as listed above) of more than 3% of the Applicant's total financing.

22. SUBSCRIPTION AND ADVERTISING REVENUE

Provide forecasts of subscription and advertising revenue (showing gross revenue, less agency commission and discounts) for each of the first five years of the licence period.

ATTACH AS APPENDIX 22

23. REVENUE FROM SPONSORSHIP CO-FUNDING FOR OR OTHER SOURCES

Provide forecasts of net income (showing gross income, less deductions for commission, etc.), and basis on which it has been calculated, from sources other than subscription, for each of the first five years of the licence period.

ATTACH AS APPENDIX 23

**SECTION 4:
DEMAND, NEED AND SUPPORT FOR THE PROPOSED SERVICE**

24. APPEAL OF PROGRAMME SERVICE

24.1 To what extent, and in what way, is the proposed programme service designed to "cater for the tastes and interests of persons living in the area", either in general or in particular? Kindly motivate fully your reasons.

24.2 Is the programme service designed to appeal especially to particular sections of demographic groups (e.g. certain age group) within the population?

- 24.3 To what extent, and in what way, will the proposed service cater for tastes and interests different from those catered for by any other existing broadcasting service within part or all of the licence area?

ATTACH AS APPENDIX 24

25. EVIDENCE OF NEED, DEMAND AND SUPPORT FOR PROPOSED SERVICE

- 25.1 Having regard to the broadcasting services already existing in the proposed licence area, is there a need for the proposed service?
- 25.2 Summarize the main findings of a primary market research undertaken as proof that the proposed service will cater for tastes and interests of people living in the area.
- 25.3 Attach a copy of the research.

ATTACH AS APPENDIX 25

26. SIZE AND COMPOSITION OF AUDIENCE

- 26.1 What size of audience is expected, over the course of one month?
- 26.2 Provide estimates of actual number of viewers/listeners, and/or 'weekly reach' as a percentage of the adult population of the licence area, together with the anticipated average weekly hours of listening.

ATTACH AS APPENDIX 26

27. SUPPORT FOR THE APPLICANT

Provide details of support for the proposed service.

ATTACH AS APPENDIX 27

**SECTION 5:
COMPLAINTS AND CODES OF OPERATIONS**

28. COMPLAINTS AND CODES OF OPERATION

28.1 Describe how you propose to handle and consider comments and complaints about the service.

ATTACH AS APPENDIX 28.1

28.2 Describe the procedures to be adopted to ensure compliance by employees and others associated with the service, with the Act, applicable regulations, licence conditions, and Code of Conduct for Broadcasting Service.

ATTACH AS APPENDIX 28.2

28.3 Are you a member of or intend becoming a member of any broadcasting organization/Body (e.g. NAB, BCCSA, etc)?

ATTACH AS APPENDIX 28.3

<p style="text-align: center;">SECTION 6: PROGRAMMING</p>
--

RESPONSES TO THIS SECTION OF THE APPLICATION WILL FORM THE BASIS OF THE APPLICANT S "PROMISE OF PERFORMANCE", TO BE INCORPORATED IN THE LICENCE ISSUED FOR THE LICENCE PERIOD

29. PROPOSED PROGRAMME SERVICE

Outline, briefly and in general terms, the approach and objectives of the proposed programme service, and the format and content to be provided.

ATTACH AS APPENDIX 29

30. TARGET MARKET

State whether the service is aimed at the general public or a niche market.

ATTACH AS APPENDIX 30

31. AUTHORISATION OF CHANNELS

Give details of all channels that would need to be authorised by the Authority from start-up (whether such channels are permanent or temporary, titles of channels, countries of origin and genre, and whether such channels comply with the subscription broadcasting service's Code of Conduct).

ATTACH AS APPENDIX 31

Upon successful application for subscription broadcasting service licence the licensee would be required to apply for channel authorisation in terms of subscription broadcasting regulations, 2006.

32. PROGRAMMING SUPPLY AGREEMENTS

Give details of any current/proposed agreements/contracts between the Applicant and/or a related body corporate and other service/channel providers or video programme producers/distributors.

ATTACH AS APPENDIX 32

33. COMPLIANCE WITH SOUTH AFRICAN CONTENT REGULATIONS

Give details of how the service will comply with the Authority's South African Content Regulations for subscription broadcasting services.

ATTACH AS APPENDIX 33

**SECTION 7
TECHNICAL**

34. Give details of the company responsible for the Applicant s' signal distribution.

ATTACH AS APPENDIX 34

35. Give details of configuration of the network.

ATTACH AS APPENDIX 35

CONCLUDING SECTION

36. OTHER MATTERS

State briefly why the ICASA should grant you the licence, and give details of any other matters which you consider the ICASA should be aware.

ATTACH AS APPENDIX 36

37. AFFIDAVIT

Applicant s are required to conclude their submission with the following certificate:-

I acknowledge that ICASA could be entitled to have any issued licence set aside should it be found that any material statement is false and has been made by the Applicant or any officer thereof knowing it to be false.

Signed -----

APPLICANT

I certify that on the Day of2012 , in my presence atthe Deponent signed this declaration and declared that he/she:

1. knows and understands the contents hereof;
2. had no objection to taking the prescribed oath; and
3. considers the oath to be binding on his/her conscience.

COMMISSIONER OF OATHS