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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

NOTICE 3644 OF 2025

ELECTRONIC COMMUNICATIONS ACT, 2005 (ACT NO. 36 OF 2005)

NOTICE OF INTENTION TO CONDUCT AN INQUIRY INTO NEW INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE LICENCES

The Independent Communications Authority of South Africa hereby publishes a notice of its intention to conduct an Inquiry into new Individual Electronic Communications Network Service licences in terms of section 4B of the Independent Communications Authority of South Africa Act, 2000 (Act No. 13 of 2000), to the extent reflected in the Schedule.

Mothibi Ramusi

Chairperson

Date: 21/11/**2025**

NOTICE OF INTENTION TO CONDUCT AN INQUIRY INTO NEW INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE LICENCES

1. Introduction

The Independent Communications Authority of South Africa ("the Authority") hereby gives notice of its intention to conduct an Inquiry into new Individual Electronic Communications Network Service licences ("I-ECNS licences") in terms of section 4B (2) of the Independent Communications Authority of South Africa Act, 2000 (Act No. 13 of 2000) ("ICASA Act").

2. Background and Legislative Framework

2.1. The Inquiry follows the policy direction contained in Government Gazette No. 53215 of 22 August 2025 issued by the Minister of Communications and Digital Technologies ("the Ministerial policy direction") to ICASA in terms of section 3(2) of the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended ("the ECA").

3. Purpose of the Inquiry

3.1. The purpose of the Inquiry is to consider the following:

3.1.1. whether or not the implementation of the framework in the ECA, which allows for the transfer of individual electronic communications network services and electronic communications service licences, has been effective and efficient with regard to the promotion of competition within the sector;

3.1.2. the demand for and need to invite, accept and consider applications for new individual electronic communications network services licences;

3.1.3. whether new individual electronic communications network service licences will promote the objects of the ECA and specifically improve competition in the market for individual electronic communications network services;

3.1.4. whether or not and to what extent new individual electronic communications network service licences will contribute to the universal provision of electronic communications networks; and

3.1.5. whether the benefits of new individual electronic communications network service licences outweigh the costs, including the cost to the Authority, of monitoring and enforcing compliance with any such licences, and the impact on the environment.

3.2. It should be noted that Class Electronic Communications Network ("Class ECN") and Electronic Communications Service ("Class ECS") licences, Broadcasting Service ("BS") licences, and Radio Frequency Spectrum ("RFS") licences do not fall within the scope of this Inquiry, and are therefore not currently being considered by the Authority.

4. The Inquiry Process

The Authority will commence and conduct the Inquiry in a series of phases as follows:

4.1. Phase 1 (commencement of the Inquiry)

4.1.1. The Authority publishes this notice to conduct an Inquiry into new I-ECNS with an accompanying Questionnaire, in the Government Gazette.

4.1.2. Stakeholders must submit written responses to the questionnaire within **forty-five (45) working days from the date of publication of this Notice and accompanying Questionnaire in the *Government Gazette.***

4.1.3. The Authority may request one-on-one meetings in relation to information submitted by a stakeholder, where necessary to clarify information that is submitted.

4.2. Phase 2 (Discussion Document)

Publication of the Discussion Document in the Government Gazette for a period of forty-five (45) working days.

4.3. Phase 3 (Public Hearings on the Discussion Document)

The Authority may hold public hearings and confirm details of the hearings in a notice to be published in the Government Gazette.

4.4. Phase 4 (Findings Document)

Within ninety (90) days from the date of conclusion of this Inquiry, the Authority will publish a summary of its findings in the Government Gazette and on the Authority's website.

5. Confidentiality

5.1. Stakeholders may request confidentiality, in terms of section 4D of the ICASA Act, on any information submitted to the Authority during this Inquiry process.

5.2. Such request for confidentiality must be accompanied by a confidential and non-confidential version of the stakeholder's submission.

5.3. The Authority hereby refers stakeholders to the Guideline for Confidentiality Request and the Form, published on 17 August 2018 in Gazette No. 41839, in order to assist stakeholders when applying for confidentiality.

6. Instructions and contact details

6.1. The Authority requests relevant information and opinions from stakeholders to assist in carrying out this Inquiry. Stakeholders are therefore invited to add valuable input into the Inquiry by completing the relevant sections of this questionnaire.

6.2. In addition to commenting on the matters which the Ministerial Policy Direction requires the Authority to consider, stakeholders are encouraged to provide any other information that may support the Inquiry. Numerical data (where applicable) should be provided electronically in Microsoft Excel.

6.3. When providing written responses, as well as supporting evidence and or data, stakeholders are requested to indicate clearly to which question the information pertains.

6.4. All submissions in terms of the questionnaire must be for the **attention of the Project Manager, Mr Peter Mailula**, by email to **iecns-inquiry@icasa.org.za** and **pmailula@icasa.org.za** **OR** by hand delivery, with a digital copy on a USB, marked specifically for attention:

Mr Peter Mailula
Independent Communications Authority of South Africa
350 Witch-Hazel Road, Eco-Park
Centurion
0157

6.5. All clarity-seeking questions relating to this Inquiry must be directed to Mr Pascalis Adams on 012 568 4085 or at padams@icasa.org.za, Mr Peter Mailula on 012 568 3657 or at pmailula@icasa.org.za.

INQUIRY INTO INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE AND INDIVIDUAL ELECTRONIC COMMUNICATIONS SERVICE LICENCES

Questionnaire to industry participants and stakeholders

CONTACT DETAILS FOR RESPONDENT OR REPRESENTATIVE OF THE RESPONDENT

Please complete and include the table below in your submission. Where there is more than one contact person, please include the full details of the additional contact person/s in the format provided below.

Organisation	
Name and surname	
Position	
Contact details (telephone number and e-mail address)	

SECTION 1: TRANSFER OF INDIVIDUAL I-ECNS AND I-ECS LICENCES FRAMEWORK

The licences issued under Chapter 3 (Licensing Framework) of the ECA can be classified into two broad categories[1]:

> An Individual Electronic Communications Network Service (I-ECNS) licence is a national technology-neutral licence that permits a licence holder to roll out and operate an electronic communications network and also to provide electronic communications network services in terms of the ECA. An electronic communications network can include, among other things, satellite systems, fixed systems, mobile systems, fibre optic cables, electricity cable systems (used for electronic communications services), and other electronic communications transmission systems.
>
> An Individual Electronic Communications Service (I-ECS) licence is a licence that permits a licence holder to provide electronic communication services (excluding broadcasting services) to its subscribers or end-users nationwide using its own I-ECNS network or via another I-ECNS licensee's network.

Section 5(6) of the ECA empowers the Authority to issue new licences for the I-ECNS licence category - but only in terms of a Policy Direction issued by the Minister in accordance with section 3 of the ECA. In the absence of such a Ministerial Policy Direction, the Authority cannot and does not issue any new I-ECNS licences.

Despite the Authority being empowered to issue an Invitation to Apply ("ITA") for I-ECS licences without any requirement for a Ministerial Policy Direction, the Authority has not done so.

Currently, potential entrants into the electronic communications network and services market can obtain a licence through the purchase and transfer of ownership or control of an existing I-ECNS and / or I-ECS licence in terms of section 13 of the ECA, subject to ICASA's prior approval.[2] The transfer, or a change in control, of such existing licences can facilitate market entry and exit.

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[1] Class ECNS and ECS licences were not considered as part of this study. Additionally, BS and RFS licenses are not considered as they fall outside of the scope of this Inquiry.

[2] Section 13(1) and (2) of the ECA states the following:
(1) 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.
(2) 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.

The Authority has noted with concern the reports of high purchase prices charged by I-ECNS and I-ECS licensees in the market for such licences, which may create barriers to entry and expansion - particularly for small and new entrants in the market.

This Inquiry seeks to determine whether it is preferable to open up the I-ECNS and / or the I-ECS market by means of an appropriate ITA rather than relying on the existing transfer of ownership and control provisions.

Question 1.1: What are your views on the current licensing framework in relation to the sale and transfer of I-ECNS and I-ECS licences (section 13 of the ECA)? In particular, does the current licensing framework hinder or promote competition? In providing your response, please provide reasons supported by evidence or case studies, where applicable.

Question 1.2: In your view, should the Authority intervene in the current sale and transfer market to facilitate the purchase of existing licences? If yes, to what extent should the Authority intervene? Please motivate your response by providing reasons and any supporting evidence or data.

Question 1.3: What other considerations or interventions would be useful for the Authority to consider regarding the effectiveness and efficiency of the current sale and transfer licensing framework so as to promote competition?

SECTION 2: THE DEMAND FOR NEW INDIVIDUAL ECNS LICENCES

The table below depicts the breakdown of the number of licences issued by the Authority as at 31 October 2025.

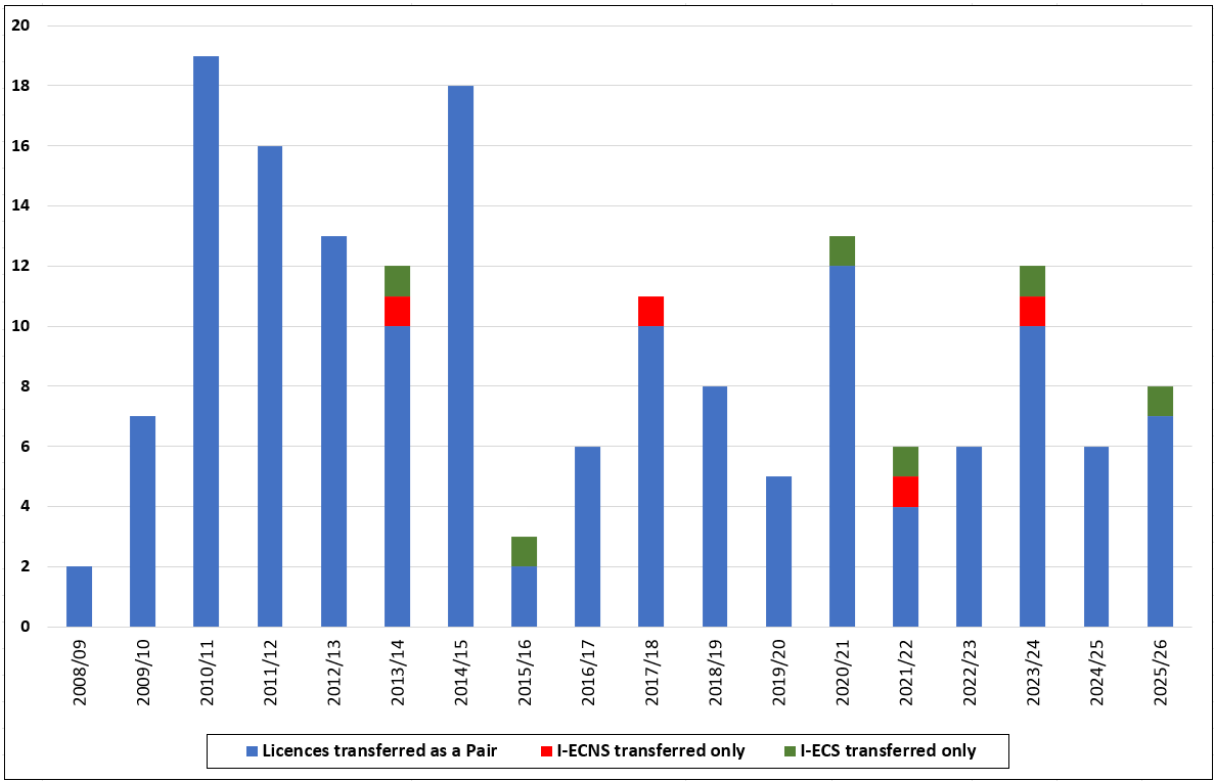
Total number of issued I-ECNS and I-ECS licences:

	I-ECNS	I-ECS
Total no. of licenses	470	458

Source: ICASA database (2025)

As at 31 October 2025, the Authority had approved a total of 171 applications for transfer of ownership and control of I-ECNS and I-ECS licences since the 2008/09 financial year (an average of 10 applications per annum). The majority of the approved applications were transferred as pairs of I-ECNS and I-ECS licences.

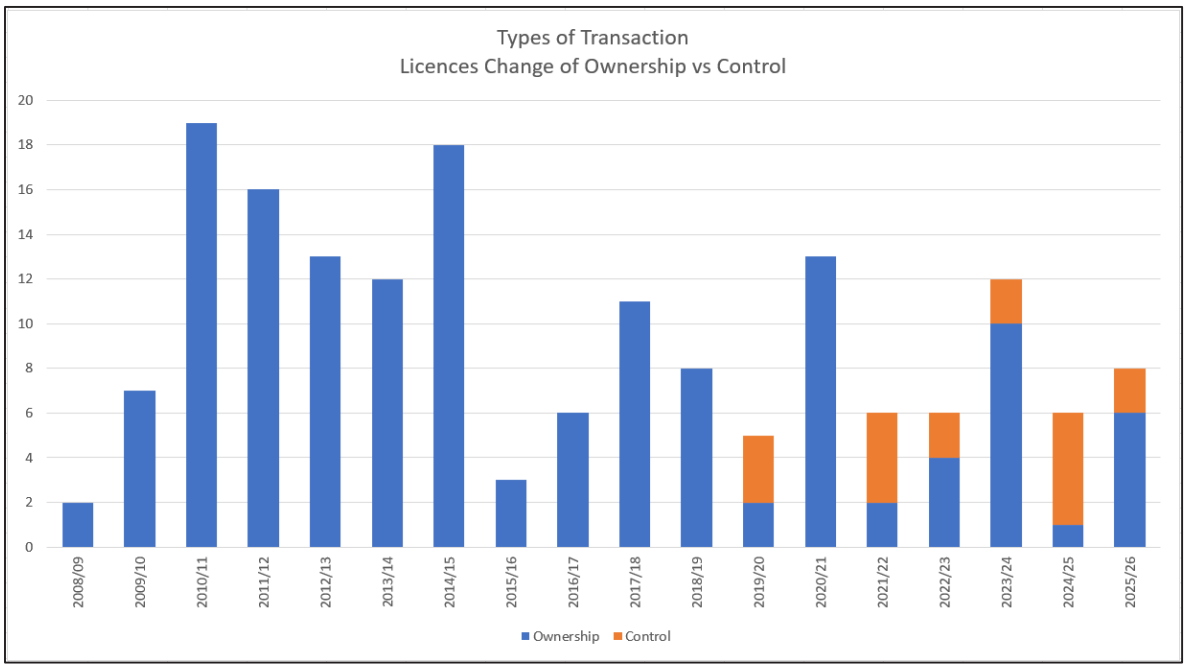
Figure 1: Approved transfer applications transferred as a pair (I-ECNS and I-ECS) or separately (I-ECNS and I-ECS)



Source: ICASA database (2025)

Further, the majority of the approved applications were in respect of change of ownership with few relating to change in control.

Figure 2: Approved transfer applications change of Ownership vs Control



Source: ICASA database (2025)

While the approved transfers of ownership or control of individual licences may appear relatively low compared to the number of available (and potentially transferrable) individual licences, it should be noted that this does not necessarily imply low appetite for new individual licences. The low number of transfers could be attributed to a combination of factors, including:

1. Purchase price: Disagreement between the seller/transferor (individual licensee) and the potential buyer/transferee on the purchase price.
2. Transfer fees: As of April 2025, ICASA's transfer fee for a licence is R 82 111,00 per I-ECS and I-ECNS licence transfer application.
3. Package deals: Purchasing both I-ECNS and I-ECS licences, as opposed to one licence, may potentially increase the purchase price.
4. Legal and regulatory compliance: Difficulty or reluctance to conform with section 9 (2)(b) of the ECA.

Question 2.1: In your view, are there sufficient market opportunities to justify issuing new I-ECNS and I-ECS licences? Please motivate your response.

Question 2.2: Have you, or are you aware of any licensee or interested party who has, considered or is considering launching or expanding network infrastructure or providing services in South Africa? What technologies, network architecture and/or spectrum frequencies do you think would be appropriate for any new I-ECNS licensees? Please provide examples or evidence where possible.

Question 2.3: If you are an existing licensee, did you acquire your I-ECNS and or I-ECS licences through the sale and transfer market (i.e. bought from another licensee) or did you obtain them directly from the Authority (not through transfer or change of ownership)? If acquired from the secondary market, please provide details on your experience.

Question 2.4: If you have/had I-ECNS and/or I-ECS licences, have you been approached or have you received unsolicited or solicited interest from an interested buyer to acquire your licence? Please elaborate and provide as much information as possible, if applicable.

Question 2.5: If you have I-ECNS and/or I-ECS licences and are not intending to sell your licence(s) in the next 3 - 5 years, please describe the infrastructure used (mobile, fixed, satellite or combination). Provide a list of services that you currently provide and whether those are provided to private consumers and/or businesses/organisations (or both where appropriate)?

Question 2.6: Are there any additional points that you think would be useful for the Authority to consider regarding the demand for I-ECNS and I-ECS licences?

SECTION 3: WHETHER NEW I-ECNS LICENCES WILL PROMOTE COMPETITION IN THE MARKET FOR I-ECNS

Despite the high number of individual licences, the electronic communications sector remains highly concentrated, with a few players holding large market shares. The high concentration is mainly driven by the cost structures of the electronic communications sector (high fixed and common costs), which places certain restrictions on the extent of competition in the mobile and fixed services markets. Economies of scale and scope are important to split the high fixed and common costs across different products and increase volumes to reduce unit costs and compete effectively.

It should be noted that the high levels of market concentration, together with the relatively large number of existing individual licences (i.e. 928), do not in themselves suggest that the issuance of new licences would not be unwarranted. As highlighted above, the Authority has observed certain dynamics in the secondary market for existing individual licences that may give rise to barriers to entry or expansion in the market. Furthermore, the potential new and small entrants may for strategic or other legitimate business reasons prefer acquiring new licences rather than existing licences.

Question 3.1: In your view, do you believe that new I-ECNS licences will promote or improve competition in the market? Please substantiate your answer.

Question 3.2: If you answered yes to Question 3.1 above, are there any competition issues or concerns that may hinder the effectiveness of such new I-ECNS licences in promoting or improve competition? Please provide evidence or examples.

Question 3.3: What regulatory measures, if any, should the Authority consider to remedy the competition concerns you have identified in Question 3.2 above, or to ensure that any new I-ECNS licences compete effectively with the incumbents? Provide examples of the kinds of remedies you would expect to see.

SECTION 4: POTENTIAL CONTRIBUTION OF NEW I-ECNS LICENCES TO UNIVERSAL ACCESS AND SERVICE

Section 8(4) of the ECA states that "*the Authority may by regulation make provision for the designation of licensees to whom universal service and universal access obligations are to be applicable and may prescribe additional terms and conditions in respect of the relevant universal service and universal access obligations on such designated licensees*". Currently, the Authority does not have separate specific regulations on universal access and universal service obligations. Such obligations are included more on an ad hoc basis in the terms and conditions of certain ECNS and ECS licences.

Question 4.1: In your view, will new I-ECNS and I-ECS licences contribute to universal access and service within the current electronic communications network and services market? Please explain the mechanisms through which such contribution may occur. Provide any supporting data, case studies, or examples.

Question 4.2: In your view, how should the Authority incorporate universal access and service obligations into the terms and conditions of new I-ECNS and I-ECS licences to ensure equitable access to communications services across South Africa?

SECTION 5: BENEFITS OF NEW I-ECNS LICENCES VERSUS COSTS, INCLUDING THE COST TO THE AUTHORITY OF MONITORING AND ENFORCING COMPLIANCE WITH ANY SUCH LICENCES, AND THE BURDEN ON THE ENVIRONMENT

Question 5.1: Are there any potential negative consequences associated with the rollout of infrastructure by the new I-ECNS licensees that the Authority should consider?

Question 5.2 What new or additional benefits, if any, could new I-ECNS licences provide compared to existing licensees? Please provide examples or evidence of potential improvements such as service coverage, infrastructure rollout, technological innovation, competition, or other market and social benefits.

SECTION 6: ANY OTHER COMMENTS

Question 6.1: Do you have any additional comments regarding this Inquiry process that you would like the Authority to consider?

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