



**Independent Communications Authority of South Africa**  
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## **Resellers in the Electronic Communications Services & Electronic Communications Network Services**

The electronic communications services (ECS) and electronic communications network services (ECNS) as defined in the ECA<sup>1</sup> is a regulated sector. In terms of section 7 of the ECA "no person may provide any services without a licence" except for services exempted in terms of section 6 of the ECA.

Section 6(2) (b) and (f) state:

- (b) electronic communications services provided by resellers;
- (f) such other services considered to be exempted, as may be prescribed by the Authority.

It is common knowledge that there are resellers of electronic communications services in the South African market. The reseller market is structured at different levels, there are licence holders (suppliers) that are believed to sell electronic communications services to entities (resellers) at wholesale whom in turn resell to customers.

In order to implement section 6 of the ECA, the Authority is conducting a Regulatory Impact Assessment (RIA). However, prior to conducting a full RIA the Authority is initiating an informal information gathering process in order to understand the reseller market. To achieve that a set of questions have been formulated and it would be appreciated if responses are given.

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<sup>1</sup> Electronic Communications Act No.36, 2005 as amended.

**NA Batyi, MR Mohlaloga, KGS Pillay,  
PK Pongwana (CEO)**

## **A. UNDERSTANDING RESELLER PROVISION**

- 1. To your understanding could resellers operate without a licence? If the response is yes, kindly provide the provisions which are applicable either from the ECA, ICASA Act or prescribed regulations. If the response is No kindly provide the reason/s.**
- 2. Is there any provision in the ECA, ICASA Act or regulations which entities that want to operate as a reseller must/could follow in order to be recognised as a reseller?**
- 3. Are there any restrictions as to what services can be provided by resellers in the market<sup>2</sup>? Or kindly provide what services can be provided by resellers in the market as per your understanding?**
- 4. Is there a limitation as to whom can be a reseller in the market? Kindly provide reasons.**

## **B. RESALE MARKET**

- 1. In your view how many resellers are in the South African market?**
- 2. At which level of the market should there be resellers? Should it only be at the retail level i.e. directly to customers or should it be at all levels of the market?**
- 3. What type of entities are currently in the South African reseller market?**
- 4. What type of reseller services<sup>3</sup> are currently being sold in this market?**
- 5. What type of services must/should in your opinion, should be part of the reseller market?**
- 6. Should services in the reseller market be distinguished from those not in the reseller market and how? In answering this question kindly refer to section 1, “reseller” definition of the ECA.**

## **C. REGULATORY INTERVENTIONS**

- 1. If the Authority were to intervene in the reseller market what and where should the intervention be?**

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<sup>2</sup> Market refers to the electronic communications services and electronic communications network service.

<sup>3</sup> Services refers to electronic communications services and electronic communications network service.

- 2. What are the current challenges that resellers commonly have within the reseller market?**
- 3. Given that resellers will be competing in the same space as licence holders should they (resellers) be exempted from paying general licence fees and making contributions to USAF?**
- 4. Given that resellers do not own a network or a product directly, if a customer has a complaint about a specific product made available by the reseller who should be held accountable? Is it the licence holder or reseller and why?**