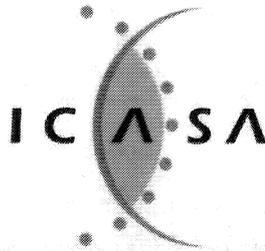

GENERAL NOTICE

NOTICE 739 OF 2014



INVITATION TO APPLY FOR INDIVIDUAL COMMERCIAL FREE TO AIR TELEVISION 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 Act"), invites applications for Individual Commercial Free To Air Television 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 Act.

This ITA only applies to service licence applications. There will be separate processes for licensing of spectrum.

A handwritten signature in black ink, appearing to be 'S. Mncube'.

DR STEPHEN MNCUBE
CHAIRPERSON

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

SCHEDULE A

1. Applications must be made in writing.
2. Applicants 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 as to why it is not applicable.
3. The Applicant must submit the original completed application plus fifteen (15) hard copies and three (3) soft copies thereof before the closing date indicated in paragraph 16 below.
4. In terms of section 4D of the Independent Communications Authority of South Africa Act, Act 13 of 2000 ("ICASA Act"), Applicants may request that any part of the application be treated as confidential. The request for confidentiality must be accompanied by a written statement explaining why the specific information should be treated as confidential. The Applicants must submit separate any confidential information from the original application and clearly mark it as such. Fifteen (15) hard copies and three (3) soft copies of the confidential information must be submitted jointly with the original application referred to above.
5. All applications, save for confidential information referred to 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.
6. Each application must be permanently bound (using either heat binding or spiral binding).

7. 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.
8. The page(s) immediately following the cover must be the contents page(s) which detail each section of the application and corresponding page numbers.
9. 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.
10. 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 be sequentially numbered as indicated above.
11. The application must include a percentage of equity ownership held by Applicants from historically disadvantaged groups (HDGs) that is not less than 30%.
12. In terms of section 52 of the Act, no broadcasting service licence may be granted to any party, movement, organisation, body or alliance which is of a party-political nature.
13. Applicants must take into account the limitations provided in terms of sections 64, 65 and 66 of the Act, amongst others.
14. Every application for the provision of Individual Commercial Free To Air Television Broadcasting Service must be accompanied by a proof of payment of a non-refundable application fee of five hundred thousand rand (R500 000.00). The payment shall be in the form of an electronic transfer or via a direct deposit into the following bank account of the Authority:

BANK: First National Bank

BRANCH: Weirda Valley

BRANCH CODE: 260950

ACCOUNT NO: 61037058222

REFERENCE: Name of your station

15. Applications must be addressed for the attention of the Acting General Manager: Licensing and must be submitted at Block D, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg.
16. The closing date for the submission of applications shall be no later than 11:00 am, South African time, on or before **Monday, 1 December 2014**.
17. Failure to comply with any of the above requirements will render the application subject to 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****3. IS THE 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 of incorporation or other constitutive documents of the Applicant (e.g. association agreement, constitution, etc) indicating the Applicant's compliance with the requirements of section 5(8) (b) of the Act.	
ATTACH AS APPENDIX 6.1	
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 6.2	
Indicate all direct and indirect shareholders in the Applicant and their total number of shares and ownership percentages. Further, 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 6.3	
Indicate whether, pursuant to the memorandum of incorporation 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 of the Applicant or in any other way to direct or restrain the Applicant on substantial management or other issues.	
ATTACH AS APPENDIX 6.4	

7. MANAGEMENT

- 7.1 Full details must be provided of each member of Applicant's senior management including all directors, members or trustees as the case may be. The following information supported by substantiating documentation must be submitted in this regard:

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

ATTACH AS APPENDIX 7.1

- 7.2 Describe briefly the capability, expertise and relevant previous experience of Applicant's senior management members, and state which post each individual would occupy. Please submit supporting documentation.

ATTACH AS APPENDIX 7.2

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

ATTACH AS APPENDIX 7.3

- 7.4 Indicate whether any of the senior management members is an office bearer or employee of any political party. Please submit supporting documentation.

ATTACH AS APPENDIX 7.4

- 7.5 If the senior management member(s) concerned has any shares in the Applicant, the number and indicate class of those shares. Please submit supporting documentation.

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? Submit the business record of any such persons in a position to control the operations of the licensee, either in an individual capacity or directly or indirectly in relation to management or corporate structure.

ATTACH AS APPENDIX 7.6

- 7.7 Submit the Applicant's record and the record of those persons referred to in paragraph 7.6 above, in relation to situations requiring trust and candour.

ATTACH AS APPENDIX 7.7

- 7.8 Provide a full and complete business record of the Applicant. In providing the business record referred to above, it must be stated, whether the senior management member(s) or Applicant concerned has any other media interests. Full details must be given of all management positions held during the past five (5) years. The record must also indicate whether the person concerned has any particular experience relating to the management of a Commercial Television Broadcasting Service. Please submit supporting documentation.

ATTACH AS APPENDIX 7.8

8. STAFFING

- 8.1 Provide a staff organisational 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 sub-contracted or outsourced to agencies, consultants, etc. Please submit supporting documentation.

ATTACH AS APPENDIX 8.4

- 8.5 Give details of the qualifications and competency of the staff indicated above. Please submit supporting documentation.

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 licensee of the Authority, 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 juristic person, 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 (please submit supporting documentation):

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 11.5

11.6 Indicate how the Applicant complies with provisions of sections 52, 64, 65, and 66 of the Act.

ATTACH AS APPENDIX 11.6

<p style="text-align: center;">SECTION 3: FINANCE</p>
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12. SUMMARY OF BUSINESS PLAN

Summarize the main assumption underpinning the Applicant's business plan e.g. trends in audience share and free to air television broadcasting revenue (and the relationship between them), taking into account expected free to air 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, or on separate schedules as an appendix to it; whichever approach is preferred.

ATTACH AS APPENDIX 13.1

13.2 Projected Income Statement

Submit 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

Submit projected annual operating expenses, estimating annual operating expenses for the first five (5) years of broadcasting.

ATTACH AS APPENDIX 13.3

13.4 Balance sheet

Submit projected balance sheet.

ATTACH AS APPENDIX 13.4

14. FINANCIAL REQUIREMENTS AND SOURCES

Submit 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 respective 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, 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 15.1

Give a detailed breakdown for signal distribution costs.

ATTACH AS APPENDIX 15.2

<p>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'.</p>
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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 copies 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 Applicant; 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. ADVERTISING REVENUE

Provide forecasts of advertising revenue (showing gross revenue, less agency commission and discounts) for each of the first five (5) years of the licence period.

ATTACH AS APPENDIX 22

23. REVENUE FROM SPONSORSHIP CO-FUNDING OR OTHER SOURCES

Provide forecasts of net income (showing gross income, less deductions for commission, etc.), and basis on which it has been calculated for each of the first five (5) years of the licence period.

ATTACH AS APPENDIX 23

<p style="text-align: center;">SECTION 4:</p>
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<p style="text-align: center;">DEMAND, NEED AND SUPPORT FOR THE PROPOSED SERVICE</p>

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 television 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 primary market research.

ATTACH AS APPENDIX 25

26. SIZE AND COMPOSITION OF AUDIENCE

- 26.1 What size of audience is expected, over the course of one week?
- 26.2 Submit 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

Submit 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 Services and the Code of Advertising Practice of the Advertising Standards Authority of South Africa.

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, ASA, etc.)?

ATTACH AS APPENDIX 28.3

**SECTION 6:
PROGRAMMING**

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, languages and the format and content to be provided.

ATTACH AS APPENDIX 29

30. 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 broadcasting service's Code of Conduct).

ATTACH AS APPENDIX 30

31. 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 31

32. COMPLIANCE WITH SOUTH AFRICAN CONTENT REGULATIONS

Give details of how the service will comply with the Authority's South African Content Regulations for Commercial Television Broadcasting Licensees.

ATTACH AS APPENDIX 32

32. PROMISE OF PERFORMANCE

32.1 Indicate how, by the diversity of its service, the Applicant intends to reflect the diverse nature of South African society. Give details of any provincial programming.

32.2 Summarise how this service will contribute to the broadcasting field as a whole.

ATTACH AS APPENDIX 32

**SECTION 7
TECHNICAL**

33. Give details of the entity responsible for the Applicants' signal distribution.

ATTACH AS APPENDIX 33

34. Give details of configuration of the network.

ATTACH AS APPENDIX 34

CONCLUDING SECTION

35. OTHER MATTERS

State briefly why the Authority should grant the Applicant the licence, and give details of any other matters which the Applicant considers that the Authority should be aware of.

ATTACH AS APPENDIX 35

36. AFFIDAVIT

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

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

Signed on behalf of the **APPLICANT**
Full name: _____
Designation: _____
Duly authorised thereto

I certify that on the day of2014 , 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