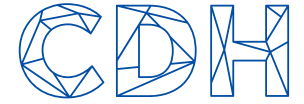


Technology & Communications

ALERT | 25 August 2025



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Minister issues direction to ICASA
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Minister issues direction to ICASA on inquiry regarding Individual Electronic Communications Network Services Licences

On 22 August 2025, the Minister of Communications and Digital Technologies issued a policy direction to the Independent Communications Authority of South Africa (ICASA) to conduct an inquiry into the need for applications for Individual Electronic Communications Network Services (ECNS) licences. The policy directive refers to the 2019 Data Service Market Inquiry (DSMI) report and the findings made therein, including the *“lack of effective competitive restraints”* on pricing levels in the market.

Whilst it is indicated that the hinderances to effective competition did not include an insufficient number of individual ECNS licensees, the policy direction concerns the licencing framework for individual services licences provided for in the Electronic Communications Act, 2005 (ECA).

Section 5(6) of the ECA provides that ICASA may only accept and consider applications for an individual ECNS licence in terms of a policy direction issued by the Minister in terms of section 3. In other words, absent a policy direction issued by the Minister, no new individual ECNS licences may be issued, and the only way in which such a licence can be obtained by an entity is if an existing individual ECNS licence is transferred to such entity with ICASA's prior approval.

There appears to be no shortage of individual licences in the market - according to the policy direction, there are approximately 490 individual ECNS licences and 2228 class ECNS licences in circulation – and ICASA has therefore been directed to determine whether new individual ECNS licences will promote the objects of the Act including without limitation, improved competition and the universal provision of electronic communications networks and electronic communications services.

The inquiry will focus on the following:

1. whether or not the implementation of the framework in the Act, which allows for the transfer individual ECNS and electronic communications services licences has been effective and efficient regarding the promotion of competition within the sector;
2. the demand for and need to invite, accept, and consider applications for new individual ECNS licences;
3. whether new individual ECNS licences will promote the objects of the Act and specifically improve competition in the market for individual ECNS;
4. whether or not and how new individual ECNS licences will contribute to universal provision of electronic communication networks; and
5. whether the benefits of new individual ECNS licenses outweigh the costs, including the costs to the Authority of monitoring and enforcing compliance with any such licenses, and the burden on the environment.

ICASA has been directed to commence the inquiry within three months from 22 August 2025 and submit a comprehensive report within fourteen days of making its findings, to inform potential further policy directions in terms of section 3, read with section 5(6) of the Act.

Anja Hofmeyr and Kgatliso Mofokeng

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BBBEE STATUS: LEVEL ONE CONTRIBUTOR

Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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