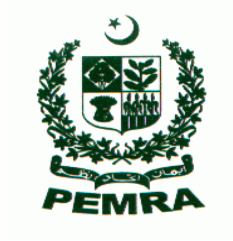


Pakistan Electronic Media Regulatory Authority



**GUIDELINES**

**TO**

**ESTABLISH AND OPERATE**

**CABLE TV NETWORKS**

**AT TEHSIL LEVEL**

## **1. Introduction:**

Pakistan Electronic Media Regulatory Authority (PEMRA) was established in March, 2002 to promote and regulate electronic media in Pakistan and to encourage participation from private sector in this field.

## **2. Functions of the Authority:**

The Authority is responsible for regulating the establishment and operation of all broadcast media and distribution services in Pakistan established for the purpose of international, national, provincial, district, and local or special target audiences.

## **3. Initiatives:**

The Authority has already taken several initiatives to facilitate and promote the Cable TV industry of the country. Inter alia, in order to improve the standard and quality of cable networks, a roadmap for conversion from analogue to digital mode has recently been introduced. The Authority has now decided to issue Cable TV licences through open and transparent bidding process at tehsil level in the country.

## **4. Objectives:**

Purpose and objective of this document is to provide guidelines for the establishment and operation of Cable TV networks at tehsil level in Pakistan. These guidelines are meant to provide:

- Scope of Licence
- Eligibility Requirements
- General Conditions
- Post Bidding Licensing Regime
- Duration of Licence
- Area of Operation
- Technical Standards
- Bidding Procedure
- Submission of Applications
- List of Documents to be Provided alongwith Application
- Base Price

## **5. Scope of Licence:**

The licences shall be awarded through open bidding process. The successful companies who are subsequently issued Cable TV licence by the Authority shall be allowed to set up and operate Cable TV networks for providing distribution services on commercial basis within the specified area of operation.

## **6. Eligibility Criteria for Companies:**

- a. A company, registered with Security Exchange Commission of Pakistan (SECP) under the Companies Ordinance 1984, may apply for participation in the open bidding;
- b. company should have a minimum paid-up capital of Rs. 3.0 million;
- c. company should not be a recipient of funds from a foreign government or organization;
- d. majority shareholding and management control of the Company should be vested with the residents and nationals of Pakistan;
- e. company or its directors should not be owning, operating or controlling any broadcast media or print media as sole or joint shareholder, whether directly or indirectly
- f. company should be registered with the tax authorities for income tax, sales tax etc.;
- g. company should have the technical experience and capability to establish & operate a Cable TV network, efficiently; and
- h. company or its directors should not be a defaulter of the Government of Pakistan or any of its organizations including PEMRA.

## **7. General Conditions:**

- a. In the first phase maximum of two licences shall be offered in each advertised Tehsil. However, the Authority reserves the right to issue as many licences as it deems appropriate.
- b. Initially, the network may be of Technology Neutral. However, installation of digital networks shall be encouraged by the Authority.

- c. The licensee shall strictly follow the time frame for digitalization, prescribed by the Authority, as detailed below:

| <u>Category</u>         | <u>Deadline</u> |
|-------------------------|-----------------|
| For Metropolitan Cities | Upto Year 2011  |
| For Other Cities        | Upto Year 2015  |

- d. The successful applicant shall be required to bring its cable television service into operation within one year of issuance of the licence, failing which its licence shall be deemed to have been cancelled.
- e. Grant of licence shall be subject to fulfillment of legal requirements including clearance from security /law enforcing agencies and approval of the Authority.
- f. The licence shall be non exclusive and non transferable.
- g. Provision of additional Head-Ends may be allowed on payment of prescribed fee as determined by the Authority.
- h. The licensee shall be liable to pay the following fee which may be revised by the Authority from time to time:

|                           |                              |
|---------------------------|------------------------------|
| 1. Licence Fee            | As determined in the bidding |
| 2. Annual Renewal Fee     | 50% of the licence fee       |
| 3. Annual Subscribers Fee | @ Rs.12/- per subscriber     |

- i. The licensee may have the option to award franchises within its area of operations, subject to the submission of contracts to the Authority, executed with the franchises.

- j. Relaying of In-House channels (CDs) may be allowed by the Authority subject to fulfillment of criteria, payment of fee and on such terms & conditions as determined by the Authority. However, franchises shall not be eligible to relay /insert their own In-House channels.
- k. The licensee shall abide by the Ordinance, Rules, Regulations, Terms & Conditions of the licence and directives issued by the Authority from time to time.
- l. In granting a licence, the Authority shall ensure that open and fair competition is facilitated in the operation of more than one media enterprise in any given unit of area or subject and that undue concentration of media ownership is not created in any city, town or area and the country as a whole.
- m. The successful bidder shall obtain prior written approval of the Authority for the site / location of the Cable TV Head-end.
- n. The Authority reserves the right to direct any applicant to provide any additional information / documents, required in connection with evaluation of his application.

#### **8. Post Bidding Licensing Regime:**

**Except "R" category licences, no new licences shall be granted without bidding process, in the tehsils where licences are being awarded through open bidding.**

However, in order to protect the rights of the prospective licensee, the Authority may first offer him to extend the CTV operation to that particular rural area for which application has been received. If otherwise, the Authority may grant licence to the applicant.

To ensure level playing field, all the existing valid licence holders already operational in the respective tehsil, where bidding has been proposed, shall continue

their operations subject to conversion from analogue to digital technology, according to the roadmap / time frame, set by the Authority.

#### **9. Duration of licence:**

The licence shall be granted for a period of five years and may be extended / revalidated for a similar term subject to:

- satisfactory performance of the licensee;
- conversion from analogue to digital technology within the time frame set by the Authority;
- payment of annual renewal fee and other dues; and
- payment of extension / revalidation fee as determined by the Authority at that time.

#### **10. Area of Operation:**

The area of operation of licensee shall be the whole tehsil (as per revenue record) for which the licence is granted / awarded by the Authority.

#### **11. Bidding Procedure:**

Bidding procedure will be provided to the qualified / short listed applicant.

#### **12. Submission of Applications:**

- a. Application forms and information may be obtained from the respective Regional Offices of the Authority (i.e. Islamabad, Lahore, Karachi, Peshawar & Quetta).
- b. Regional offices within their respective area of jurisdiction shall receive and process the applications.
- c. Bidding shall be conducted at the respective divisional headquarters level in which the tehsil falls.

### **13. List of Documents to be Provided alongwith Application:**

Attested copies of the following documents shall be provided by the applicant companies' alongwith application form, in the respective Regional offices of the Authority.

- a. Complete Company profile.
- b. Proof of Registration of Company with the Security Exchange Commission of Pakistan (SECP).
- c. Proof of Rs. 3.0 Million paid-up Capital of the Company.
- d. Article of Association / Memorandum of Association of the Company.
- e. Form 29, form A and 3 of the Company (where applicable).
- f. Comprehensive Project Feasibility (Technical & Financial).
- g. Proof of Registration with Income Tax / Sale Tax etc. and last three years Income Tax statements.
- h. Character certificate issued by law enforcing agencies in respect of Directors /CEO of the companies that they are not involved in neither any criminal or anti-state activities nor being convicted in any criminal offence.
- i. Affidavit duly attested by oath commissioner declaring that Applicant Company or its Directors do not own or control of any broadcast media or print media as sole or joint shareholder, whether directly /indirectly.
- j. Affidavit duly attested by oath commissioner declaring that Company and its Directors are not defaulters of Government of Pakistan or any other Organization / PEMRA.
- k. Annual Audited Accounts of the Company (if applicable).

### **14. Base Price:**

Tehsil wise Base price shall be communicated only to qualified companies / applicants before bidding.