



**PAKISTAN ELECTRONIC MEDIA
REGULATORY AUTHORITY**

**CONSULTATION ON DIRECT-TO-HOME (DTH)
DISTRIBUTION SERVICE LICENSING**

Closing date for Response: 17th May, 2016

PEMRA Headquarters, Mauve Area G-8/1

Islamabad

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INTRODUCTION

To promote, extend and provide a wider choice to the people of Pakistan, PEMRA intends to grant up to three non-exclusive Direct-to-Home (DTH) Distribution Service Licences to companies incorporated in Pakistan.

PEMRA's primary objectives for the introduction of DTH service in Pakistan are:

- i. To promote the Electronic Media in Pakistan
- ii. To make available more options to the public with dynamic programming packages and to encourage private sector participation
- iii. To provide interactive services to the people of Pakistan
- iv. To increase the coverage of electronic media, satellite TV, and FM radio services, making them available to more people.
- v. To make available to the people superior quality audio and video programmes
- vi. To promote Pakistani programming content
- vii. To achieve the Digitalization objective by the end of 2015
- viii. To provide quality television service, on a non-discriminatory basis, to every citizen
- ix. To introduce healthy competition in the Distribution Service sector
- x. To provide a wider range of Entertainment, News, Information and Education
- xi. To curb the illegal penetration of foreign DTH

Additional economic and social objectives include:

- xii. Generation of economic activity
- xiii. Direct and Indirect employment opportunities
- xiv. Attract private sector investment and FDI in electronic media besides taxes
- xv. Growth of Manufacturing Sector
- xvi. Capacity leasing of Pakistani satellites (Paksat-1R)

The DTH licences will be issued through a competitive bidding process under Section 19 of the PEMRA Ordinance.

The purpose of this Consultation Paper is to seek valuable input of the general public/ stakeholders on various matters related to DTH Licensing process which may be helpful for the Authority in decision making on issues having impact on general public and other stakeholders.

Response on the issues indicated may be mailed electronically at pemradth@gmail.com or in written form to Mr. Intizar Hassan Assistant General Manager PEMRA HQ Building Mauve Area, Sector G-8/1 Islamabad (Ph:051-9107108 Fax: 051-910704) till 23:59, 17th May, 2016.

Definitions

“**Authority**” means the Pakistan Electronic Media Regulatory Authority (PEMRA) established under section 3 of the Ordinance;

“**Broadcaster**” means a person engaged in broadcast media, except broadcast journalists not actively involved in the operation, ownership, management or control of the broadcast media;

“**Channel**” means the set of frequencies that a broadcast station occupies for broadcasting;

“**Company**” means a company as defined in the Companies Ordinance 1984 (XLVII of 1984);

“**Distribution Service**” means a service which receives broadcast and pre-recorded signals from different channels and distributes them to subscribers through cable, or satellite options and also includes DTH ;

“**DTH Service**” means Direct to Home distribution of audio-visual signals received via satellite to small dish antennas across the footprint of the satellite to subscribers;

“**Licence**” means the licence issued by the Authority to establish and operate a broadcast media or distribution service; unless noted otherwise, this refers to the DTH licence governed by the present terms and conditions.

“**Licensee**” means a person or company to whom the Authority has issued a Licence; unless noted otherwise, this refers to the company that was awarded the DTH licence governed by the present terms and conditions.

“**management control**” in relation to a person means the power to exercise a controlling influence over the management or the policies of the company or undertaking and, in relation to shares, means the power to exercise a controlling influence over the voting power attached to such shares;

“**Ordinance**” means the Pakistan Electronic Media Regulatory Authority Ordinance, 2002, as amended by the PEMRA (Amendment) Act 2007;

“**Thematic channel**” means channels created by the DTH Licensee and transmitted exclusively with its DTH service;

Background for Consultation

In the context of the present liberalized global economic environment where economies of different countries are closely inter-linked and inter-dependent, foreign investments have a vital role to play. Foreign direct investment is not just a large and growing source of equity investment for developing economies, it also brings with it considerable benefits through transfer of technology, strengthening infrastructure, raising productivity, enhancing competitiveness of the domestic economy and generating new employment opportunities.

Currently, the foreign shareholding limit in electronic media is restricted to below 50% of the total shareholding as per Section 25 of PEMRA Ordinance 2002 (Amendment Act 2007). It is apprehended that restrictions on foreign shareholding limit may represent a strong barrier to the inflow of foreign investment in the electronic media sector in Pakistan.

DTH is a capital intensive project and being new technology for the country its expertise are not sufficiently available in Pakistan. Moreover, its successful launch will result in investment of millions of dollars into the country that will also result in generation of huge revenue for the national exchequer and jobs creation for the youth.

Under Rule 13 of PEMRA Rules 2009, broadcasters cannot be issued any distribution service license including DTH or vice versa.

Questionnaire

Respondent Details	
Name: _____	Contact No (Optional): _____
Occupation: _____	Email Address: _____

Q1. Should majority foreign shareholding (above 50%) in DTH licensing be allowed along with management control?

- a) Yes b) No

Q2. If response to the 1st question is “Yes”, what limit should be prescribed?

- a) 51 % b) 74 % c) 100%

Q3. Whether existing broadcast media licensees (satellite TV channels & FM radio owners) be allowed to participate in DTH licensing process or not?

- a) Yes b) No

Q4. If response to the 3rd question is ‘Yes’, what should be the maximum shareholding limit (without management control) of broadcast media licensees in the overall shareholding of the DTH licensed company:

- a) 10% b) 20% c) 30 %

Q5. What percentage of Indian content be allowed on DTH thematic channels?

- a) 15% b) 25 % c) 35 %

You can also record your response by submitting this form online at below given link:

<http://goo.gl/7YPS29>

Thank you for your help!