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OF THE

REPUBLIC OF NAMIBIA

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CONTENTS

Page

GENERAL NOTICE

No. 265	Notice of intention to amend Regulations Prescribing Licence Fees and Regulatory Levies: Communications Act, 2009.....	1
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General Notice

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 265 2026

NOTICE OF INTENTION TO AMEND REGULATIONS PRESCRIBING LICENCE FEES AND REGULATORY LEVIES: COMMUNICATIONS ACT, 2009

The Communications Regulatory Authority of Namibia, under section 129(1) read with sections 23, 38, 85, and 96 of the Communications Act, 2009 (Act No. 8 of 2009), and the Regulations regarding Rule-Making Procedures published under General Notice No. 334 of 17 December 2010 in Government Gazette No. 4630 –

- (a) publishes this Notice of Intention to amend the Regulations Prescribing Licence Fees and Regulatory Levies under section 129 of that Act as set out in Schedule 2; and
- (b) sets out a concise statement of purpose for the proposed regulations set out in Schedule 1.

The Authority invites the providers of services and public to submit comments in writing to the Authority within 30 days after publication of this Notice in the *Gazette*, in the manner set out below for making of written submissions.

All written submissions must be delivered to the Authority either –

- (a) by hand to the head office of the Authority, namely Freedom Plaza Courtside Building (3rd and 4th floors), c/o Fidel Castro and Rev. Michael Scott Streets, Windhoek;
- (b) by post to the head office of the Authority, namely Private Bag 13309, Windhoek, 10001; or
- (c) by electronic mail to legaldrafting@cran.na.

All written submissions must –

- (a) contain the name and full contact details (physical and postal address, email address and telephone or cell phone number) of the person making the written submissions and the name and similar contact details of the person for whom the written submission is made if different; and
- (b) be clear and concise.

In the event where any person making a submission wishes to designate any information contained in such submission as confidential, such information must be clearly marked as “confidential”.

Not with standing, if the Authority is of the opinion that information is not confidential it will inform the person thereof and thereby –

- (a) allowing the person to withdraw the information from the rule-making proceedings; or
- (b) agreeing with the person that it will not be treated anymore as confidential information; or
- (c) requesting a hearing on the issue of confidentiality to be conducted in accordance with section 28 of the Communications Act.

In terms of regulation 7 of the Regulations regarding Rule-Making Procedures the Authority herewith gives notice that it will hold a hearing regarding the proposed regulations on 5 May 2026 from 14h00 to 17h00, on a venue to be determined.

The public is invited to make comments or oral submissions at the hearing. Notice of oral submissions to be made during the hearing must be submitted to the Authority not later than 5 days before the date of hearing. Such written notice must be accompanied by a concise statement setting out the basis and rationale for the oral submissions.

Oral submissions made at the aforesaid public hearing must –

- (a) contain the name and contact details of the person (physical and postal address, email address and telephone or cellphone number) of the person making the written submissions and the name and similar contact details of the person for whom the written submission is made if different; and
- (b) be clear and concise.

DR. TULIMEVAVA K. MUFETI
CHAIRPERSON OF THE BOARD OF DIRECTORS
COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

SCHEDULE 1

CONCISE STATEMENT OF PURPOSE

The Communications Act, 2009 (Act No. 8 of 2009), as amended, empowers the Communications Regulatory Authority of Namibia (CRAN) to impose licence fees and a regulatory levy in accordance with the following provisions:

- (a) Section 23 authorises the imposition of a regulatory levy on providers of communications services to recover regulatory costs;
- (b) Section 38 provides for fees payable for the grant, management and control of telecommunications licences;
- (c) Section 85(1) and (4)(a) provides for application and issue fees in respect of broadcasting licences;
- (d) Section 96(1) provides for application and issue fees in respect of postal licences; and
- (e) Section 129 authorises the Authority to prescribe fees for applications, licence issuance, or any service rendered.

The Communications Amendment Act, 2020 (Act No. 6 of 2020) further establishes:

- (i) the rationale for the regulatory levy, namely to fund CRAN's regulatory costs fairly and sustainably;
- (ii) governance principles guiding CRAN's decisions, including predictability, equity, fairness, transparency, and alignment with best practices; and
- (iii) charging principles to ensure business sustainability, levy stability, and avoidance of excessive income.

Pursuant to these authorisations, the Authority intends to prescribe application, grant/issue, renewal, transfer and amendment fees (collectively referred to as "licence fees") as set out in Annexure A, and the regulatory levy as set out in Annexure B of the Regulations contained in Schedule 2.

CRAN first imposed a regulatory levy in 2012 under section 23 and licence fees under section 129 read with sections 38, 85 and 96. The validity of section 23(2)(a) was challenged and declared unconstitutional by the Supreme Court on 11 June 2018 due to the absence of limits on CRAN's powers. Consequently, the Communications Amendment Act was promulgated on 15 July 2020 to align section 23 with constitutional requirements. In March 2024, the Supreme Court confirmed the validity of the amended section 23, enabling CRAN to impose the levy.

The current levy of 1% was implemented under General Notice No. 238 of 22 June 2021 in Government Gazette No. 7559. Section 23(6) requires CRAN to review the levy within five years of its last imposition or review. The mandatory review period expires on 21 June 2026.

This Notice of Intention to amend Regulations Prescribing Licence Fees and Regulatory Levies, together with the accompanying Concise Reasons paper on the Review of the Licence Fees and Regulatory Levies contained in Schedule 3, outlines the rationale and methodology for the proposed licence fees and regulatory levy. Key considerations include:

- (a) licence fees and the regulatory levy must not create barriers to market entry and must support the objectives of the Communications Act, including universal access and efficiency;
- (b) compliance with statutory requirements and alignment with regional and international best practices, benchmarked against Zambia, Uganda, Tanzania, Botswana, Zimbabwe and South Africa;

- (c) CRAN's financial position, including revenue, operational expenses, budget projections and funding requirements;
- (d) a proposed regulatory levy of 2.25% of annual revenue for telecommunication licensees, subject to a minimum of N\$25,000;
- (e) a proposed regulatory levy of 1.2% of annual revenue for broadcasting and postal licensees, subject to a minimum of N\$2,000; and
- (f) non-profit licensees will pay the minimum levy of N\$2,000.

These measures necessitate the promulgation of new regulations prescribing licence fees and the regulatory levy.

The Concise Reasons Paper on the review of Licence Fees and Regulatory Levies in terms of section 23(6) of the Communications Act, 2009, As amended is attached hereto as Schedule 3.

SCHEDULE 2

PROPOSED AMENDMENT TO REGULATIONS PRESCRIBING LICENCE FEES AND REGULATORY LEVIES: COMMUNICATIONS ACT, 2009

Under section 129(1) Communications Act, 2009 (Act No. 8 of 2009) read with sections 23, 38, 85, and 96 of that Act, the Communications Regulatory Authority of Namibia has amended the Regulations Prescribing Licence Fees and Regulatory Levies published under General Notice No. 238 of 22 June 2021 as set out in the Schedule.

DR. TULIMEVAVA K. MUFETI
CHAIRPERSON OF THE BOARD OF DIRECTOR
COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

Definitions

1. In these regulations, "the Regulations" means the Regulations Prescribing Licence Fees and Regulatory Levies published under General Notice No. 238 of 22 June 2021.

Substitution of regulation 2 of Regulations

2. The Regulations are amended by the substitution for regulation 2 of the following regulation:

"Licence fees

2. (1) Pursuant to sections 38, 85, and 96 an applicant for a licence must pay the fee for the application for, issue, grant, renewal, transfer or amendment of the licence type listed in column 1, of the table contained in Annexure A as indicated in Colum 2,3,4 and 5 of that table.

(2) Unless otherwise determined by the Authority, an applicant must pay a licence fee by electronic funds transfer or direct deposit into the bank account of the Authority.

(3) A fee paid to the Authority in respect of an application made under subsection (1) is not refundable.

Substitution of regulation 3 of the Regulations

3. The Regulations are amended by the substitution for regulation 3 of the following regulation:

“Regulatory Levy

3. (1) A licensee must pay the applicable regulatory levy payable for the category of licences listed in Column 1 of the Table contained in Annexure B as indicated in Column 2 of that Table.

(2) Unless otherwise determined by the Authority, the regulatory levy must be paid by means of electronic transfer or direct deposit into the bank account of the Authority.

(3) A licensee must, no later than six months after each financial year end, submit to the Authority its audited annual financial statements or signed and sworn annual financial statements, as the case may be, subject thereto that a licensee may, at least three months before the due date for such submission, apply to the Authority in writing for an extension and the Authority may grant such extension on good cause shown.

(4) The regulatory levy is paid based on the turnover of the licensee as reflected in the –

(a) audited annual financial statements of a licensee where a licensee is required by law to have financial statements audited or where a licensee annually have its financial statements audited voluntary; or

(b) the annual financial statements signed and sworn by the accounting officer of the licensee in the event where a licensee is not required by law to audit financial statements and does not voluntarily have such financial statements audited,

however, in the event where the turnover of the licensee is not accounted for separately, and such licensee provides other products or services or conducts other business not regulated under the Act, the licensee must attach to the audited annual financial statements or annual financial statements, a statement –

(i) indicating the turnover of the licensee;

(ii) indicating the methodology used to extract and determine such turnover;

(iii) containing such other information as the Authority may determine; and

(iv) signed and sworn to by the licensee’s auditor or accounting officer to be a true and correct reflection of the licensee’s turnover to the best of the knowledge of such auditor or accountant.

(5) For purposes of clarity, the turnover referred to in this regulation is –

(a) the turnover of a licensee excluding value added tax; and

(b) limited to turnover derived from services or business which may be regulated under the Act.

(6) A licensee has the duty to ensure that the licensee’s audited annual financial statements or signed and sworn annual financial statements, as the case may be, reflect the correct turnover amount.

(7) On receipt of the licensee’s audited annual financial statements or signed and sworn annual financial statements, the Authority must issue the licensee with an invoice stating the amount of the regulatory levy payable by such licensee.

(8) Subject to subregulation (7), a licensee must pay the regulatory levy within 30 days of receipt of the invoice.

(9) The Authority may, upon written application and on good cause shown by a licensee, authorise a licensee to pay the regulatory levy in equal monthly instalments over a period not exceeding six months.

(10) A licensee wishing to pay the regulatory levy in instalments must submit such written application to the Authority at least three months prior to the due date of payment of the regulatory levy.”.

Substitution of regulation 4 of Regulations

4. The Regulations are amended by the substitution for regulation 4 of the following regulation:

“Offence and penalties

4. (1) A licensee commits an offence if the licensee –
- (a) fails to comply with the conditions under regulation 2 or 3;
 - (b) furnishes or submits information required for the purposes of regulation 3 knowing such return or information to be false in any material respect.
- (2) A licensee convicted of an offence in terms of subregulation (1) –
- (a) is liable to a penalty contemplated in section 114(2) of the Act; and
 - (b) commits an offence and is on conviction liable to a fine not exceeding N\$500 000 or to imprisonment for a period not exceeding two years.”.

Substitution of Annexure A of Regulations

5. The regulations are amended by the substitution for Annexure A and B of the following Annexures A and B:

“ANNEXURE A” (Regulation 2)

Licence Fees in N\$ (Namibian Dollar)					
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Licence Types	Application Fees	Grant / Issue Fees	Renewal Fees	Transfer Fees	Amendment Fees
Telecommunications - Individual Comprehensive (ECNS and ECS)	n/a	n/a	n/a	n/a	n/a
Telecommunications - Class ECNS	12,500	62,500	12,500	12,500	12,500
Telecommunications - Class ECS	12,500	62,500	12,500	12,500	12,500
Telecommunications - Class Comprehensive (ECNS and ECS)	12,500	62,500	12,500	12,500	12,500

Licence Fees in N\$ (Namibian Dollar)					
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Licence Types	Application Fees	Grant / Issue Fees	Renewal Fees	Transfer Fees	Amendment Fees
Telecommunications - Network Facilities	12,500	62,500	12,500	12,500	12,500
Telecommunications - Non-profit (ECNS and ECS)	1,500	1,500	1,500	1,500	1,500
Broadcasting - Commercial	12,500	12,500	12,500	12,500	12,500
Broadcasting - Community	1,500	1,500	1,500	1,500	1,500
Broadcasting - Public	n/a	n/a	n/a	n/a	n/a
Broadcasting - Signal Distribution	12,500	12,500	12,500	12,500	12,500
Broadcasting - Multiplex	12,500	12,500	12,500	12,500	12,500
Broadcasting - Class Comprehensive	12,500	12,500	12,500	12,500	12,500
Broadcasting - Multiplex and Signal Distribution	12,500	12,500	12,500	12,500	12,500
Postal - Designated Postal Operator	n/a	n/a	n/a	n/a	n/a
Postal - Private Postal Service	12,500	12,500	12,500	12,500	12,500

“ANNEXURE B”
(Regulation 3)

Table 21: Proposed Regulatory Levy	
Licence Types	Regulatory Levy
Telecommunications - Individual Comprehensive (ECNS and ECS)	Levy % = MAX(25,000, (2.25%*Turnover))
Telecommunications - Class ECNS	Levy % = MAX(25,000, (2.25%*Turnover))
Telecommunications - Class ECS	Levy % = MAX(25,000, (2.25%*Turnover))
Telecommunications - Class Comprehensive (ECNS and ECS)	Levy % = MAX(25,000, (2.25%*Turnover))
Telecommunications - Network Facilities	Levy % = MAX(25,000, (2.25%*Turnover))
Telecommunications - Non-profit (ECNS and ECS)	Levy = N\$ 2,000.00
Broadcasting - Commercial	Levy % = MAX(2,000,(1.2%*Turnover))
Broadcasting - Community	Levy = N\$ 2000.00
Broadcasting - Public	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting - Signal Distribution	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting - Multiplex	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting - Class Comprehensive	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting - Multiplex and Signal Distribution	Levy % = MAX(2,000,1.2%*Turnover)
Postal - Designated Postal Operator	Levy % = MAX(2,000,1.2%*Turnover)
Postal - Private Postal Service	Levy % = MAX(2,000,1.2%*Turnover)

SCHEDULE 3

UPDATED CONCISE REASONS PAPER ON THE REVIEW OF LICENCE FEES AND REGULATORY LEVIES IN TERMS OF SECTION 23(6) OF THE COMMUNICATIONS ACT, 2009 (ACT NO. 8 OF 2009) AS AMENDED

March 2026

TABLE OF CONTENTS

1. Introduction
2. Regulatory Levy and Licensees Fees Review Justification
3. Legal Basis for Regulatory Levy Review
4. Pricing Model and Regulatory Fees
5. Regulatory Fees and Levy
6. CRAN's Financial Highlights
7. Proposed Regulatory Levies
8. Conclusion & Recommendations
9. References

1. Introduction

The Communications Regulatory Authority of Namibia (CRAN) is an independent regulator, with the primary mandate to regulate the communications sector, ensure consumer protection and the efficient utilisation and management of the radio spectrum. To fulfil this mandate, the Communications Act, 2009 (Act. No 8 of 2009), hereinafter referred to as the Communications Act, 2009 as amended, empowers CRAN to impose license fees and a regulatory levy on licensees, intended to recover the costs of regulation in a transparent, equitable, and proportionate manner.

The current levy of 1% and licensee fees were first published in June 2021 after the amendment to the Communications Act were introduced under the Communications Amendment Act, 2020 (Act No. 6 of 2020) to define certain words and subscribe the powers to impose the regulatory levy to cover the regulatory costs of the Authority and to provide for other matters. The Communications Amendment Act, 2020 introduced the provision for a review of the levy every five years, with the first anniversary being 21 June 2026.

The purpose of this paper is therefore to form a basis for the review of the regulatory levy and licensee fees under a framework that is not only constitutionally sound, but also financially sustainable, equitable, and responsive to market needs.

The initial paper was published under General Notice No. 959 of 19 December 2025, Government Gazette No.8813. Public comments were received from 4 operators, and direct engagements were held with the concerned operators to discuss their submissions. This updated version of the discussion paper reflects the comments received.

2. Regulatory Levy and Licensees Fees Review Justification

In 2012 CRAN set out the regulatory levy as per section 23 and licence fees as per section 129 (1) read with sections 38, 85, and 96 of the Communications Act, 2009 as amended.

The Communications Act, 2009, as amended, empowers the Authority to impose licence-related fees on various communications services. Specifically, section 22(2), 85(1) and (4)(a) empower the Authority to charge fees for the application and issuance fees for telecommunication and broadcasting licences, while section 96(1) extends similar provisions to postal licences. Furthermore, section 129 provides general powers for the Authority to prescribe, through regulations, fees payable to the Authority for the applications made, the issuance of licences, or any other thing that is required in terms of this Act to be prescribed in order to implement the provisions of the Act. Collectively, these

provisions establish the legal basis for implementing a structured fee regime to support regulatory functions and service delivery.

The regulatory levy was contested as to its validity and constitutionality in the High Court, with a subsequent appeal to the Supreme Court of Namibia. On 11 June 2018, the Supreme Court of Namibia declared section 23(2)(a) of the Communications Act, 2009 (Act No. 8 of 2009) unconstitutional on the basis that no limits were imposed on the powers conferred upon the Authority to determine the regulatory levy.

On 15 July 2020 and pursuant to the Supreme Court judgment, the Communications Amendment Act, 2020 (Act No. 6 of 2020) was promulgated, amending section 23 to align it with the guidance provided by the Supreme Court. The amended section 23 was subsequently challenged by Mobile Telecommunications Limited. In March 2024, the Supreme Court confirmed that the amended provision is valid and that the regulatory levy may lawfully be imposed.

Consequently, the levy was imposed as per General Notice No. 238 of 22 June 2021 published in Government Gazette No. 7559. The regulatory levy has been implemented since June 2021 to date. Section 23(6) of the Communications Act, 2009, as amended provides that the Authority is required to review the regulatory levy within five years of its last imposition or review. This review ensures that the regulatory levy complies with legal requirements and avoids under- or over-recovery. Since the regulatory levy was published on 22 June 2021, the five-year period for mandatory review will expire on 21 June 2026.

Therefore, the Authority must initiate a review before that date to:

- Ensure compliance with the legal obligation to reassess the levy within five years of its last imposition (22 June 2021).
- Assess the financial performance of the levy to identify any under-recoveries (not enough revenue collected) or over-recoveries (too much revenue collected).
- Maintain transparency and accountability in the regulatory levy's application and financial impact.

Additionally, the Communications Act, 2009, as amended requires CRAN to base its regulatory levy on current budgeted financial needs. The current levy of 1% remains anchored to financial data from June 2021, when it was first published. While the regulations were finally only implemented in June 2024 (when the final supreme court appeal was heard). This also means that the 1% is now based on an outdated baseline. This undermines the principle of proportionality, fails to reflect the Authority's current operational costs, revenue trends and sector growth and more importantly poses a likelihood of legal and stakeholder challenges due to misalignment with the intent of the Act.

The purpose of this paper is therefore to initiate and justify the mandatory review of the regulatory levy before its five-year expiry date on 21 June 2026, in line with section 23 (6) of the Communications Act, 2009. Additionally, it also serves to justify the revision of the licence fees payable for the various communications services provided.

3. Legal Basis for Regulatory Levy Review

Table 1 summarises the key provisions of section 23 of the Communications Act, as amended by the Communications Amendment Act, 2020 (Act No. 6 of 2020) that are directly relevant to the review of CRAN's regulatory levy:

Table 1: Section 23 as Amended by Amendment Act, Act No 6 of 2020		
23	Amendment Text	Summary
(1)	<p>With due regard to subsections (4) to (8), the Authority may by regulation, after having followed a rule-making procedure, impose a regulatory levy upon providers of communications services in order to defray its regulatory costs, which levy may take one or more of the following forms –</p> <p>(a) a percentage of the turnover of all or a prescribed class of the providers of communications services;</p> <p>(b) a fixed amount payable by a prescribed class of providers of communications services in respect of a prescribed period;</p> <p>(c) a fixed amount payable by a prescribed class of providers of communications services in respect of any customer to whom a prescribed class of service is rendered during that period;</p> <p>(d) as a combination of the forms referred to in paragraph(a), (b) or (c) together with provisions prescribing the circumstances under which a prescribed form of the levy is payable;</p> <p>(e) any other form that is not unreasonably discriminatory.</p>	<p>The Authority may impose a regulatory levy on communications service providers to cover its costs. The levy can be:</p> <ul style="list-style-type: none"> • A percentage of turnover • A fixed amount per provider or per customer • A combination of these • Any non-discriminatory form, following a rule-making process and legal guidelines.
(2)	<p>When imposing the levy, the Authority may by regulation –</p> <p>(a) impose different percentages or different fixed amounts depending on –</p> <p style="padding-left: 20px;">(i) the amount of turnover of the provider;</p> <p style="padding-left: 20px;">(ii) the category of communications services rendered by the provider;</p> <p style="padding-left: 20px;">(iii) the class of licence issued to the provider; or</p> <p style="padding-left: 20px;">(iv) any other matter that is in the opinion of the Authority relevant for such an imposition;</p> <p>(b) impose a fixed minimum amount payable by providers of communications services irrespective of the form of the regulatory levy as set out in subsection (1);</p> <p>(c) impose different forms of the regulatory levy, as set out in subsection (1), depending on –</p> <p style="padding-left: 20px;">(i) the amount of the turnover of the provider;</p> <p style="padding-left: 20px;">(ii) the category of communications services rendered by the provider;</p> <p style="padding-left: 20px;">(iii) the class or type of licence issued to the provider; or</p> <p style="padding-left: 20px;">(iv) any other matter that is in the opinion of the Authority relevant for such an imposition;</p> <p>(d) prescribe –</p> <p style="padding-left: 20px;">(i) with regard to the turnover of the providers of communications services, or with regard to their services or business, regulated by this Act, received or provided by the providers of communications services, the aspects thereof which are included or excluded for purposes of determining the regulatory levy or calculating the turnover of the provider concerned;</p> <p style="padding-left: 20px;">(ii) the period during which turnover, services or business must be received or provided to be considered for the calculation of the regulatory levy; and</p> <p style="padding-left: 20px;">(iii) without limiting the foregoing, the manner in which the regulatory levy is to be calculated:</p> <p>Provided that the regulatory levy may not be imposed on turnover, services or business received or provided prior to the date on which the regulations imposing the relevant regulatory levy are published in the <i>Gazette</i>;</p>	<p>The Authority may apply different levy forms and rates to ensure fairness and avoid discrimination.</p> <p>Regulations must clarify what constitutes turnover for levy calculation, including inclusions and exclusions.</p> <p>Different percentages and fixed minimum amounts may be imposed based on provider's characteristics.</p> <p>Levies cannot be applied to turnover or services prior to the date of regulation publication.</p>

	<p>(e) prescribe the periods and methods of assessment of the regulatory levy and the due date for payment thereof which may include payment in prescribed instalments: Provided that the regulatory levy may not be imposed on turnover, or services or business received or provided prior to the date on which the regulations imposing the relevant regulatory levy are published in the <i>Gazette</i>;</p> <p>(f) prescribe the information to be provided to the Authority for the purpose of assessing the regulatory levy payable by the providers of communications services;</p> <p>(g) prescribe penalties, which may include interest, for the late payment of the regulatory levy, or for providing false information or for the failure to provide information to the Authority relating to the assessment of the levy.</p>	<p>The Authority may prescribe how levy is assessed, including applicable periods and methods.</p> <p>Penalties (including interest) may be imposed for late payment or non-compliance with information requirements.</p>
(3)	<p>The objectives of the regulatory levy are –</p> <p>(a) to ensure income for the Authority which is sufficient to defray the regulatory costs thereby enabling the Authority to provide quality regulation by means of securing adequate resources;</p> <p>(b) insofar as it is practicable, a fair allocation of cost among the providers of communication services;</p> <p>(c) to promote the objects of this Act set out in section 2 and the objects of the Authority set out in section 5.</p>	<p>Fund the Authority's operations by covering regulatory costs and ensuring adequate resources for effective, independent and sustainable regulation.</p> <ul style="list-style-type: none"> •Ensure fair cost-sharing among communications service providers. •Support the broader goals of the Act and the Authority as outlined in sections 2 and 5 of the Communications Act.
(4)	<p>The principles to be applied with relation to the imposition of the regulatory levy are –</p> <p>(a) that the impact of the regulatory levy on the sustainability of the business of providers of communications services is assessed and if the regulatory levy has an unreasonable negative impact on such sustainability, that the impact is mitigated, in so far as is practicable, by means of the rationalisation of the regulatory costs and the corresponding amendment of the proposed regulatory levy;</p> <p>(b) that predictability, fairness, equitability, transparency and accountability in the determination and imposition of the regulatory levy are ensured;</p> <p>(c) that the regulatory levy is aligned with regional and international best industry practices.</p>	<p>Assess and mitigate any unreasonable negative impact on providers' viability by adjusting regulatory costs and the levy accordingly.</p> <p>Ensure the levy is determined and imposed with predictability, fairness, equity, transparency, and accountability.</p> <p>Align the levy framework with the best regional and international practices in the communications sector.</p>
(5)	<p>When determining the form, percentage or amount of the regulatory levy, the Authority –</p> <p>(a) must duly consider, in view of its regulatory costs –</p> <p>(i) the income it requires and the proportion of such income which should be funded from the regulatory levy in accordance with the objectives and principles set out in subsections (3) and (4) respectively, as projected over the period during which the regulatory levy will apply, and taking into consideration its relevant integrated strategic business plan and annual business and financial plans, including the operating budgets and capital budgets as set out in its annual business and financial plans, as contemplated in sections 13 and 14 of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019);</p>	<p>Considerations for setting up the levy include alignment with projected financial needs, providing for reasonable reserves and avoiding excessive levy income beyond regulatory costs, managing industry risks, and maintaining stability. Others include avoiding increasing or introducing new levies within any 12-month period unless justified.</p>

	<p>(ii) income derived from any other sources;</p> <p>(iii) the necessity to ensure business continuity by, amongst others, providing for reasonable reserves as set out in its plans contemplated in sub-paragraph (i);</p> <p>(iv) the necessity to avoid, as far as is reasonably possible or predictable, the receiving of income from the regulatory levy in substantial excess of what is required to cover the regulatory costs;</p> <p>(v) the necessity of managing any risks in the communications industry associated with the imposition of a regulatory levy;</p> <p>(vi) any other fees, levies or charges which the providers of communications services are required to pay under this Act;</p> <p>(vii) any other matter deemed relevant by the Authority in order to ensure that income derived from the regulatory levy is sufficient to defray its regulatory costs;</p> <p>(b) must, in order to maintain reasonable predictability and stability, avoid, unless there is good reason to do so, an increase in the regulatory levy or the introduction of a new regulatory levy in any period of 12 consecutive months;</p> <p>(c) may consider any other matter the Authority deems relevant.</p>	
(6)	The Authority must before the expiry of five years from the last imposition of the levy or a last review under this section, review the regulatory levy to ensure that the levy is compliant with the requirements set out in this section and that there are no continued under- or over-recoveries.	Review levies every 5 years.
(7)	If the Authority has received regulatory levy income in excess of its regulatory costs, the Authority may retain such over-recovery but must set it off against the projected regulatory costs used for the next regulatory levy determination and imposition.	If CRAN collects more regulatory income than needed to cover its costs, it may keep the excess. However, this over-recovery must be off set from projected regulatory costs when determining future levies.
(8)	If the Authority receives income from the regulatory levy less than its regulatory costs in a period during which such regulatory levy applied, or during a specific period, received no income from the regulatory levy for whatever reason, the Authority may, when determining and imposing the next regulatory levy – (a) adjust the regulatory levy, and determine a higher regulatory levy, to recover such under-recovery during the period during which the next regulatory levy will apply; determine a once-off higher regulatory levy for the first period during which the next regulatory levy will apply in order to recover such under-recovery and for the remaining period or periods a different regulatory levy in accordance with subsection (5).	If CRAN collects less regulatory levy income than needed—or none—it may, when setting the next levy: • Increase the levy to recover the shortfall over the upcoming period. • Impose a once-off higher levy for the first period, followed by adjusted levies for subsequent periods as per the regulatory framework.
(9)	The Authority may, subject to subsection (5)(b), withdraw or amend the regulatory levy imposed under this section and, in so far as they are applicable, the provisions of this section apply in the same manner, with the necessary changes, to such withdrawal or amendment.	CRAN may withdraw or amend the regulatory levy, subject to specific conditions.

In summary, the Communications Amendment Act sets out –

- a) the rationale for the regulatory levy – which is to fund the Authority’s regulatory costs fairly and sustainably.
- b) the governance principles that must guide the Authority in decision making, which includes inter alia predictability, equity, alignment with best practices, fairness and transparency.
- c) guiding principles also include protection of operator’s business sustainability, avoidance of excessive income and maintenance of levy stability.

- d) the charging principles to assist with the design, adjustments, implementation and review.

4. Pricing Model and Regulatory Fees

The Communications Act, 2009, as amended, provides several license categories which all serve as sources of revenue for the Authority. This includes spectrum fees, numbering fees, license fees, type approval fees and regulatory levies.

Generally, pricing models underlying resource fees are guided by principles of revalued-based pricing, commercial or cost recovery and are often linked to the potential/perceived value of the activity to the recipient. For regulatory activities, the only pricing model which can be used is full or partial cost recovery. In line with this, and to ensure fair and proportional contribution from all sources of revenue towards the cost of regulation, the Authority follows a structured cost recovery process.

Therefore, all regulatory costs should preferably be based on a cost recovery principle. However, the latter may not be efficient as explained elsewhere in this paper. As far as resource activities are concerned (such as spectrum fees), different pricing models may be adopted. These pricing models can be market driven or based on cost recovery. Such pricing models will depend on the nature and objectives of the charging activity. The Authority's pricing models for spectrum and numbering are also based on cost recovery but takes into consideration factors such as scarcity and efficiency.

- a) Regulators use license fees and resource charges for several objectives, including:
- b) Ensure efficient allocation of scarce resources to those providers that need/value them the most.
- c) Ensure recovery of administrative costs related to regulation.
- d) Ensure deterrence of frivolous or non-serious applicants but ensure market entry for those that are serious.
- e) To support administrative efficiency.

The Communications Act, 2009, as amended, authorises the Authority to impose several regulatory fees (fees and regulatory levies), as summarised in the Table 2 below:

Fees	Application	Level	Objectives
Once-Off Licence	<ul style="list-style-type: none"> • New Licence • Licence Renewal • Application Fees • Transfer of licenses and transfer of control of licences • Amendment of licences • Spectrum applications 	<ul style="list-style-type: none"> • Auctions • Benchmarking • Discounted cash flows or net present value estimates 	<ul style="list-style-type: none"> • Revenue generation • Some cost recovery for admin cost involved in considering and issuing licence • Scarce resources • Efficient use • Fair access • Transparent access • In the public interest • Supporting administrative efficiency

Annual or Recurring	· Spectrum fees · Number range and short code fees	Fixed fees	<ul style="list-style-type: none"> • To cover costs of managing the spectrum • Revenue generation • Scarce resources: <ul style="list-style-type: none"> · Efficient use · Fair access · Transparent access · In the public interest
	Licence fees/ Regulatory levy	Revenue based fees	Revenue generation to cover cost of regulator
	Universal Access and Service fees	Revenue based fees	To fund universal service and access projects

High once-off fees for new licence applications can have varied economic effects. On the one hand, they may be positive, if they help limit market entry to non-qualified players with insufficient capital outlay and technical expertise. On the other hand, they may have negative effects if they restrict market entry too much, leading to a less competitive market.

Licence fees generally change or influence the behaviour of market participants. If fees are set too high and demand for service is inelastic, licensees are likely to pass the cost on to consumers, resulting in higher prices. However, if demand is elastic, investors may struggle to recover the licence fee. The Authority may therefore, in line with the Communications Act, 2009, as amended, apply cost recovery principles to ensure fees reflect the actual cost of regulation from all sources of revenue, the Authority may thus, through regulatory discretion, allow for cross-subsidisation for certain administration/procedural type of fees.

5. Regulatory Fees and Levy

Regulatory Fees in this document refers to all Fees applicable to service licenses and includes the regulatory levy and licence fees.

5.1 Current Regulatory Fees

The current regulatory levy was published under General Notice No. 238, dated 22 June 2021, Government Gazette No. 7559. The following formula to determine the regulatory levy was applied to all licensees:

Regulatory Levy = Max (500, (Min (1.0%, 0.00000000010*revenue) * Revenue)

The regulatory levy is a progressive levy, meaning that the higher a licensee's revenue, the higher the levy imposed. The levy is capped at N\$1 billion; therefore, any revenue above this amount is not subject to the levy.

Forexample: If a licensee earns N\$500 million in revenue, the levy is calculated on the full N\$500 million.
– If a licensee earns N\$1.2 billion in revenue, the levy is calculated only up to the cap of N\$1 billion, and the remaining N\$200 million is not levied.

Clarification on the Application of the Cap

The regulatory levy is calculated using the formula as indicated above.

The formula applies a progressive levy rate that is increased as revenue increases but is capped at a maximum rate of 1%. This is achieved through the Min(1.0%, 0.00000000010 × Revenue) component, which selects the lower of: 1.0%, or 0.00000000010 × Revenue

Accordingly for revenues below N\$1 billion, 0.00000000010 × Revenue is less than 1%, so the applicable rate remains below the cap.

At N\$1 billion, the calculated rate reaches 1%, activating the cap. For revenues above N\$1 billion, the calculated rate would exceed 1%, but the formula limits it to 1%, ensuring no licensee is charged more than 1% of revenue.

The outer function, $\text{Max}(500, \dots)$, ensures that the levy payable is never less than N\$500.

Illustrative Examples

1. Revenue = N\$400 million
 - Rate = $0.00000000010 \times 400,000,000 = 0.4\%$
 - Levy = $0.4\% \times 400,000,000 = \text{N}\1.6 million
2. Revenue = N\$1 billion
 - Rate = $0.00000000010 \times 1,000,000,000 = 1\%$
 - Levy = $1\% \times 1,000,000,000 = \text{N}\10 million
3. Revenue = N\$1.3 billion
 - Rate calculated = $0.00000000010 \times 1,300,000,000 = 1.3\%$
 - Applied rate (capped) = 1%
 - Levy = $1\% \times 1,300,000,000 = \text{N}\13 million

The Authority introduced a revised licence fee framework in 2021. As the regulatory environment evolves, the Authority has experienced increased operational and compliance costs necessary to support effective sector oversight. To ensure that regulatory functions remain efficient, sustainable, and aligned with industry developments, an adjustment of the licence fees is required. The licence fee structure is intended to promote administrative efficiency, support cost-reflective regulation, and discourage non-serious or speculative applications.

The current licence fees are set out in Table 3.

Licence Types	Application Fees	Grant / Issue Fees	Renewal Fees	Transfer Fees	Amendment Fees
Telecommunications – Individual Comprehensive (ECNS and ECS)	n/a	n/a	n/a	n/a	n/a
Telecommunications – Class ECNS	10,000	50,000	10,000	10,000	10,000
Telecommunications – Class ECS	10,000	50,000	10,000	10,000	10,000
Telecommunications – Class Comprehensive (ECNS and ECS)	10,000	50,000	10,000	10,000	10,000
Telecommunications – Network Facilities	10,000	50,000	10,000	10,000	10,000
Telecommunications – Non-profit (ECNS and ECS)	500	500	500	500	500
Broadcasting - Commercial	10,000	10,000	10,000	10,000	10,000
Broadcasting - Community	500	500	500	500	500
Broadcasting - Public	n/a	n/a	n/a	n/a	n/a
Broadcasting – Signal Distribution	10,000	10,000	10,000	10,000	10,000
Broadcasting - Multiplex	10,000	10,000	10,000	10,000	10,000
Broadcasting – Class Comprehensive	10,000	10,000	10,000	10,000	10,000
Broadcasting – Multiplex and Signal Distribution	10,000	10,000	10,000	10,000	10,000

Postal – Designated Postal Operator	n/a	n/a	n/a	n/a	n/a
Postal – Private Postal Service	10,000	50,000	10,000	10,000	10,000

Table 4 below sets out the new proposed fees:

Licence Types	Application Fees	Grant / Issue Fees	Renewal Fees	Transfer Fees	Amendment Fees
Telecommunications – Individual Comprehensive (ECNS and ECS)	n/a	n/a	n/a	n/a	n/a
Telecommunications – Class ECNS	12,500	62,500	12,500	12,500	12,500
Telecommunications – Class ECS	12,500	62,500	12,500	12,500	12,500
Telecommunications – Class Comprehensive (ECNS and ECS)	12,500	62,500	12,500	12,500	12,500
Telecommunications – Network Facilities	12,500	62,500	12,500	12,500	12,500
Telecommunications – Non-profit (ECNS and ECS)	1,500	1,500	1,500	1,500	1,500
Broadcasting - Commercial	12,500	12,500	12,500	12,500	12,500
Broadcasting - Community	1,500	1,500	1,500	1,500	1,500
Broadcasting - Public	n/a	n/a	n/a	n/a	n/a
Broadcasting – Signal Distribution	12,500	12,500	12,500	12,500	12,500
Broadcasting - Multiplex	12,500	12,500	12,500	12,500	12,500
Broadcasting – Class Comprehensive	12,500	12,500	12,500	12,500	12,500
Broadcasting – Multiplex and Signal Distribution	12,500	12,500	12,500	12,500	12,500
Postal – Designated Postal Operator	n/a	n/a	n/a	n/a	n/a
Postal – Private Postal Service	12,500	12,500	12,500	12,500	12,500

The Authority has progressively aligned licence fees with inflationary trends since 2021. Historically, non-profit licence fees remained unchanged and did not adequately reflect the resources required to administer and oversee these licences. As the sector evolves, it is essential that all licence categories contribute meaningfully toward maintaining a robust, efficient, and future-ready regulatory environment. The revised fee structure therefore promotes financial sustainability, strengthens the Authority’s ability to deliver high-quality regulatory services, and supports a fair and equitable licensing ecosystem—while ensuring that fees remain accessible and proportionate for all prospective licensees.

The inflation rates utilised are reflected in Table 5 below:

Year	2021	2022	2023	2024	2025
Consumer Price Index	3.62%	6.07%	5.90%	4.25%	3.5%

SOURCE: NAMIBIA STATISTICS AGENCY

NB: Resource charges (spectrum fees and numbering fees) will not be dealt with in this document. This document only deals with fees enabled by section 23 of the Communications Act, 2009, as amended, and licence fees relating to licenses provided for licenced services under sections 22, 38, 85, and 96. It suffices to say that the Authority adopted an approach that each revenue stream of the Authority must more or less recover the costs associated with such fees. Therefore, the Authority reviews all fees on a regular basis to ensure that such fees stay cost reflective.

5.2 Comparative overview of Regulatory Levy**5.2.1 Regional Comparisons**

Generally, when comparing licence fees and regulatory levies across other jurisdictions, the comparison should focus on total regulatory costs relative to revenues. This includes various types of regulatory fees such as licence fees, regulatory levies, spectrum fees, numbering fees and universal service fees. Consideration should also be given to whether the regulator in question is funded through Treasury or operates on a self-funded basis. The Authority undertook regulatory comparisons to benchmark fees as highlighted in Tables 6,7,8,9,10 & 11 against similar African markets to ensure both fairness and competitiveness. These comparisons guide evidence-based reform aligned with best practice. This section is limited to comparing licence fees and regulatory levies from selected countries in both SADC and Africa as per the tables below:

Botswana serves as the initial benchmark for comparison as per table 6 below:

Table 6: Botswana - BOCRA's license fee structure			
Telecommunications	Pula	N\$	
Regulatory Levy	3% of Net Operating Revenue		
Application fee	5,600	7,075	
National Network Facilities Licence Fee	772,029	980,495	
International Network Facilities Licence Fee	386,014	490,245	
Source	https://www.bocra.org.bw/sites/default/files/documents/ICT_LICENCE_APPLICATION_REQUIREMENTS_AND_FEES_0.pdf		
Broadcasting	Pula	N\$	Levy
Private Television Broadcaster	5,000 application fee 2,000 tender fee	6,329 application fee 2,539 tender fee	1% of annual net turnover
Private Radio Broadcaster	5,000 application fee 2,000 tender fee	6,329 application fee 2,539 tender fee	1% of annual net turnover 1,293 radio licence fee
Public Television Broadcaster (Commercial)	5,000 application fee	6,329 application fee	1% of annual net turnover
Public Television Broadcaster	5,000 application fee	6,329 application fee	1% of annual net turnover
Public Radio Broadcaster (Commercial)	5,000 application fee	6,329 application fee	1% of annual net turnover 1,293 radio licence fee
Public Radio Broadcaster	5,000 application fee	6,329 application fee	1,293 radio licence fee
Community Radio Broadcaster	1,000 application fee	1,269 application fee	1,293 radio licence fee
Foreign Public Broadcaster	5,000 application fee 2,000 tender fee	6,329 application fee 2,539 tender fee	1,293 radio licence fee 18,484,500 industry development fees

Source:	https://www.bocra.org.bw/sites/default/files/documents/Broadcasting%20%28Fees%29%20Regulations.pdf
1 Pula = NAD 1.2570	https://www.xe.com/currencyconverter/ 11 November 2025

Botswana imposes a higher telecommunications regulatory levy of 3% on net operating revenues, that is, service revenues. In addition to this levy, licensees are required to pay several fixed annual fees applicable to their respective service categories. For example, a mobile operator is obliged to pay the prescribed fixed fees for both mobile and international services. Broadcasting services are subject to a levy of 1% of revenue.

Unlike Botswana's sector-specific levy structure, Namibia's uniform 1 % levy creates a more predictable and streamlined approach for operators, ensuring transparency and reducing administrative fragmentation across service categories. Additionally, under almost all realistic commercial circumstances, a 3% levy on net operating revenue results in materially higher payments than a 1% levy on turnover.

Zambia is the next jurisdiction selected for comparison.

Table 7: Zambia - ZICTA's licence fees 2024						
National Licence	Network		Service Licence (With Network)		Service Licence (Without Network)	
	ZMW	N\$	ZMW	N\$	ZMW	N\$
Initial	4,340,000	2,870.91	600,000	396.36	750,000	495.10
Application	22,222.40	16.80	22,222.40	16.80	11,111.20	8.40
Regulatory Levy: Gross Annual Revenue	1.5%		3%		3%	
Source:	https://www.zicta.zm/services/licensing/network-service					
1ZMK= 0.000660219 NAD	https://www.xe.com/currencyconverter/ 11 November 2025					
Independent Broadcasting Authority (IBA) (Zambia) - Broadcasting Fee Structure						
Broadcasting Licence Category	Application Fee		Initial Licence Fee		Annual Operating Fee	
	ZMW	N\$	ZMW	N\$	ZMW	N\$
Public Television broadcasting (non-commercial)	3,000	2.26	10,000	7.56	10,000	7.56
Public Radio Broadcasting (non-commercial)	3,000	2.26	5,000	3.78	5,000	3.78
Public Television Broadcasting (commercial)	3,000	2.26	20,000	15.12	2% of annual turnover or 20,000 whichever is higher	
Public Radio Broadcasting (commercial)	3,000	2.26	20,000	15.12	2% of annual turnover or 20,000 whichever is higher	
Cable subscription television	3,000	2.26	20,000	15.12	2% of annual turnover or 20,000 whichever is higher	
Terrestrial Subscription Broadcasting	3,000	2.26	20,000	15.12	2% of annual turnover or 20,000 whichever is higher	

Satellite Subscription Broadcasting	3,000	2.26	20,000	15.12	2% of annual turnover or 20,000 whichever is higher
Source:	https://www.iba.org.zm/downloads/Broadcast%20Fee%20Structure.pdf				

ZICTA currently has four types of licences:

- License types: 1) Network Licence (Facilities and Service), 2) Network Licence Facilities, 3) Service Licence (With Network Facilities and Service), and 4) Service Licence (Without Network Facilities and Service).
- Geographic scope: each license is categorised by coverage – international, national, provincial or district.
- Mobile operators: classified as holders of network license and pay 1.5% regulatory levy on gross annual turnover.
- Other service providers: ISP's pay 3% regulatory levy on gross turnover.
- Application and initial fees: ZICTA's fees are significantly lower than those charged in Namibia.
- Broadcasting Licenses: subject to higher regulatory levies (2%) than those currently charged in Namibia.

Tanzania is the next jurisdiction selected for comparison as per table 8 below:

Table 8: Tanzania TCRA's Fee structure for a National License 2018		
	USD	N\$
Application	10,000	171,492
Initial	400,000	6,859,673
Renewal	500,000	8,574,558
Royalty Fee (Gross Annual Turnover)	1% GAT or USD 3,000 whichever is greater	1% GAT or N\$ 51,448 whichever is greater
Source:	https://www.tcra.go.tz/uploads/documents/en-1619086529-The%20Electronic%20and%20Postal%20Communications%20(Licensing)%20Regulations,%202018.pdf	
1 USD = NAD 16.9544	https://www.xe.com/currencyconverter/ 11 November 2025	

Tanzania also uses a minimum fee for the regulatory levy, though it is substantially larger than that of Namibia, N\$ 51,448 (USD 3,000) compared to the Namibian proposed N\$ 25,000. Additionally, Tanzania's licence fees for application, initial and renewal of licenses are substantially higher than those for Namibia.

Zimbabwe is the next country in the comparative analysis as per table 9 below:

Table 9: Zimbabwe 's license fee structure 2022/2023		
Telecommunications	USD	N\$
Initial licence fee	US\$2,100,000	36,006,111
Regulatory Levy	3.5% of monthly gross turnover plus VAT (includes USF) or 3%	
Sources:	https://www.potraz.gov.zw/wp-content/uploads/2022/03/Licence-Categories-Including-Fees.pdf	
Broadcasting Fee Structure		
Free to Air National Radio Broadcasting Service		
Application Fee	2,500	42,864

Basic Fee for 10 years	\$15,000 per annum plus 1% gross turnover or deemed turn over per annum for the license period	257,212 per annum plus 1% gross turnover or deemed turn over per annum for the license period
Broadcasting fund	A contribution of 0.5% of the audited annual gross turnover or deemed turnover payable annually	
Free to Air National Television Broadcasting Service		
Application Fee	2,500	42,864
Basic Fee for 10 years	\$18,000 per annum plus 1% gross turnover or deemed turn over per annum for the license period	308,655 per annum plus 1% gross turnover or deemed turn over per annum for the license period
Broadcasting fund	A contribution of 0.5% of the audited annual gross turnover or deemed turnover payable annually	
Subscription Satellite Broadcasting Service		
Application Fee	2,500	42,864
Basic Fee for 10 years	US\$75,000 per annum plus 2% monthly subscription turn over or deemed turnover payable monthly in the currency the subscription is collected	1,286,039 per annum plus 2% monthly subscription turn over or deemed turnover payable monthly in the currency the subscription is collected
Broadcasting fund	A contribution of 0.5% of the audited annual gross turnover or deemed turnover payable annually	
Subscription Cable Broadcasting		
Application Fee	2,500	42,864
Basic Fee for 10 years	US\$75,000 per annum plus 2% monthly subscription turn over or deemed turnover payable monthly in the currency the subscription is collected	1,286,039 per annum plus 2% monthly subscription turn over or deemed turnover payable monthly in the currency the subscription is collected
Broadcasting fund	A contribution of 0.5% of the audited annual gross turnover or deemed turnover payable annually	
Local Commercial Radio		
Application Fee	2,500	42,864
Basic Fee for 10 years	US\$50 000 per annum plus 1% gross turnover or deemed turn over payable monthly	857,355 per annum plus 1% gross turnover or deemed turn over payable monthly
Broadcasting fund	A contribution of 0.5% of the audited annual gross turnover or deemed turnover payable annually	
Community Broadcasting License		
Application Fee	500	8,573
Basic Fee for 10 years	1,000	17,146
Source:	https://baz.co.zw/licensing-overview/fee-schedule/	
1UASD = NAD 16.9544	https://www.xe.com/currencyconverter/ 11 November 2025	

Zimbabwe's regulatory levy and licence fees are much higher than Namibia's. In particular, to obtain a licence, an initial licence fee of US\$2.1 million has to be paid and the minimum regulatory levy is a fixed amount plus a percentage of turnover. It is worth noting that Zimbabwe has a separate regulator for broadcasting called the Broadcasting Authority of Zimbabwe and the fees charged are provided herein too for context.

South Africa is the next country in the comparative analysis as per table 10 below:

Table 10: South Africa - ICASA's licence fee structure 2024/25		
Telecommunications		
Types	Fees ZAR or %	
Regulatory Levies	ZAR 0 - 50 million	0.15%
	ZAR 50 million 100 million	0.2%
	ZAR 100 million 500 million	0,25%
	ZAR 500 million 1 billion	0.3%
	ZAR 1 billion -and above	0.35%
Licences for Applications Initial	Application	15,729
	Amendment	7,865
	Renewal	7,865
	Transfer	7,865
Class Licence	Application	15,729
	Amendment	7,420
	Renewal	7,865
	Transfer	7,865
Sources:	https://www.icasa.org.za/pages/fees	
Broadcasting		
Individual Broadcasting Licence	Application	As specified in ITA
	Amendment	7,865
	Renewal	7,865
	Transfer	7,865
Community Broadcasting Licence	Application	1,573
	Amendment	1,573
	Renewal	4,719
	Transfer	1,573
Low Power Commercial Sound Broadcasting Licence Fees	Application	7,865
	Amendment	3,147
	Renewal	7,865
	Transfer	3,147
Source:	https://www.icasa.org.za/pages/fees	

ICASA due to the unique funding model has lower regulatory levies than those of CRAN. Its licence fees are comparable, except for the initial application, which is set by a different process. The variation in regulatory levies between ICASA and CRAN stems from the different funding models. ICASA's operational costs are largely covered by the allocation from the Department of Communications, reducing reliance on levies while CRAN, in comparison, is independently funded by both the levies and fees it collects from licensees. This funding model necessitates a levy that reflects CRAN's funding position to ensure adequate funding for its regulatory functions.

Uganda rounds out the comparative review as per Table 11 below:

Table 11: Uganda - UCC's Fees as per Uganda Gazette General Notice No. 66 of 2020				
Services			Fees	N\$
Telecommunication	Annual Licence Fee		0.89% of Gross Annual Revenue * Licence payment terms/ Minimum Licence Value whichever is higher.	
	National Telecom Operator (NTO)	Application	USD 2,500	42,864
		Initial entry fee	USD 21,300,000	365,205,336
	Community Operator	Application	3,000.00	51,436
		Initial entry fee	Minimum Licence Fee	
	Regulatory Levy		2% Levy on GAR	
Broadcasting	Annual Licence Fees		UGX 25,000 and 0.65% on GAR whichever is higher.	121
	Radio Station broadcasting fees	Application processing	UGX 4,368,000 (Non-Commercial Radio Stations)	21,153
			UGX 6,580,000 (Commercial Radio Stations)	31,865
		Initial entry fee	UGX 23,100,000 (National commercial Radio Tier 1)	111,700
		Commercial Radio License	UGX 7,000,000 Tier1	33,848
	TV - Public Service Provider Licence	Initial Entry Fees	UGX 67,600	327
		Regulatory Levy	2% Levy on GAR	
	Source			https://www.ucc.co.ug/wp-content/uploads/2024/03/Fees-and-Fines-Amendment-Regulations-2020.pdf
1 UGX = NAD 0.0046			https://www.xe.com/currencyconverter/ 11 November 2025	

In Uganda, operators holding a Public Service Provider (PSP) licence and Public Infrastructure Provider (PIP) licence are required to pay an annual licence fee and additionally an annual levy, the latter being a percentage of the gross annual revenue. The Uganda Communications Act 2013 (Act 1 of 2013) increased the levy from 1% to 2%.

Based on the comparative review, the following conclusions have been drawn:

- Zimbabwe imposes the highest levy at 3.5% of gross turnover.
- Zambia differentiates between licence types: 1.5% for Network Licence holders and 3% for Service Licence holders.
- Botswana and Tanzania both apply 3% and 1% respectively, with Tanzania including a minimum fixed fee.
- Uganda charges a regulatory levy of 2%.
- South Africa uses a tiered model, ranging from 0.15% to 0.35%, depending on turnover. However, South Africa has a different funding model, in that they receive treasury appropriation and do not depend on levies for funding.

- Namibia maintains a flat 1% levy across telecom services, which is lower than most regional peers, especially for service providers. While this supports affordability, it may limit CRAN's ability to fully recover regulatory costs.
- Most countries charge much higher licence fees allowing them to balance the budget.

Botswana seems to be the best country to compare Namibia with since it is of equal size and population. It also uses IFRS for accounting and financial reporting purposes.

Table 12: Selected Comparison between CRAN and BOCRA				
	CRAN		BOCRA	
	Telecommunication	Broadcasting	Telecommunication	Broadcasting
Regulatory Levy	1%	1%	3%	1%
Financials (‘000 N\$)	2024	2025	2024	2025
Revenue	103,997,306	80,580,367	311,347,352	311,512,866
Telecommunications Levies	39,585,062	30,854,671	78,048,767	45,622,561
Broadcasting Levies	6,002,879	6,004,104	1,183,832	1,146,487
Postal Levies	187,421		559,812	1,711,910
Licence Fees/Spectrum Fees	53,520,975	35,540,522	175,542,320	248,817,033
Operational Cost	100,794,675	143,094,323	220,859,121	248,038,996
Percentage of Revenue				
Telecommunications Levies	38.1%	38.3%	25.1%	14.6%
Broadcasting Levies	5.8%	7.5%	0.4%	0.4%
Postal Levies	0.2%	0.0%	0.2%	0.5%
Licence/Spectrum Fees	51.5%	44.1%	56.4%	79.9%
<i>Source: AFS CRAN 2025 and AFS BOCRA 2025</i>				
Other Selected comparisons				
	CRAN		BOCRA	
Levy as percent of Revenue	44.0%	45.7%	25.6%	15.6%
Spectrum Fees as Percent of Revenue	51.5%	44.1%	56.4%	79.9%

From the table above it is clear that although the levy for telecommunications licensees is also 3% of revenue, the main source of revenue for BOCRA is spectrum fees. We have however, noted the following final comparisons:

- Although BOCRA imposes a levy of 3% on the turnover of telecommunication licensees, the main source of income is spectrum fees at almost 80% of income for the regulator in 2025.
- CRAN has a different funding model that requires each revenue stream to be more or less cost reflective resulting in the largest portion of income to be collected from the regulatory levy. This results in equal treatment of all licensees in that every licensee has to contribute towards the regulatory cost of the Authority and not only licensees to whom spectrum was assigned.

6. CRAN's Financial Highlights

Section 23 of the Communications Act, 2009, as amended, requires that the regulatory levy must be based on CRAN's required cost for a specific financial year. Further, CRAN must publish its budget and financial rationale when proposing or adjusting the levy.

Table 13 below sets out the CRAN sources of revenue for the period 2021 – 2025 as per the Audited Financial Statements (AFS 2025) follows:

Table 13: Sources of Revenue for CRAN in 'N\$ million based on AFS				
FY ending	2021/2022	2022/2023	2023/2024	2024/2025
Regulatory Levy Income	685	52,505	45,775	36,860
Spectrum fees	31,722	32,570	53,521	35,540
Type Approval	309	449	452	636
Numbering Fees	1,976	1,336	1,157	5,856
Total Revenue	34,692	86,860	100,905	78,892
Interest	8,522	3,901	11,339	15,264
Total + interest	43,214	90,761	112,244	94,156
Year-on-Year		1.10	0.24	-0.16
Percent contribution of levies to total revenue	1.59%	57.85%	40.78%	39.15%

SOURCE: CRAN AUDITED FINANCIAL STATEMENTS (2022 - 2025)

The regulatory levy was published on 22 June 2021. However, although the levy regulations were published, the regulatory levy could not be collected due to the ongoing litigation on the validity of the amended section 23. On 13 March 2024, the Supreme Court ruled in favour of CRAN. This meant that although the levies were invoiced since 2021, collections could only happen after the Court case in 2024. In the meantime, between 2021 until 2024, the Authority has been utilising its reserves to cover the cost of regulation.

The proposed review of the legislation is not predicated solely on the recent litigation, which has resulted in delays in the recovery of the regulatory levy, but is primarily grounded in the statutory obligation under section 23(6) to undertake periodic legislative reviews before the expiry of five years from the last imposition of the levy or a last review under the aforementioned section. In accordance with the enabling Act, the Authority is vested with the power to review and amend its regulatory framework at intervals not exceeding five years, thereby ensuring that the law remains responsive, effective, and aligned with evolving sectoral dynamics and public interest considerations. This review is therefore a fulfilment of a legal mandate rather than a reactionary measure to a singular judicial development.

FIGURE 1: DISTRIBUTION OF CRAN REVENUES ACROSS REVENUE SOURCES

Figure 1 above demonstrates the main sources of CRAN's revenues for the period 2022. From a cost allocation perspective, regulatory levies should have contributed about 60% to CRAN's revenue. However, as per Figure 1 above, this has not been the case over the past four years.

6.1 Regulatory Levy Projection vs Actual

The first part of Table 14 below shows:

- Total budget requirement of N\$ 462.37 million over four years (2021-2025). The revenue sources include numbering fees, type approval, regulatory levies and spectrum management fees.
- The difference between actual regulatory costs and revenue collected through regulatory levies, increased significantly, especially in 2024/2025.
- Over the four years, N\$ 283.46 million was expected to be raised through regulatory levies.

Table 14: Annual Regulatory Levy Invoiced against Projection in 2021 (‘N\$ million)						
FY ending	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	Total
Projected Budget and Revenue in 2021						
Budget requirement	93,710	104,920	109,340	154,400	141,977	604,347
Numbering fees	2,000	2,000	2,000	2,000	2,000	10,000
Type Approval fees	400	400	400	400	400	2,000
Spectrum Management Fees	36,300	36,300	36,300	36,300	36,300	181,500
<i>Total Revenue from Other Sources</i>	3,730	6,890	6,890	7,000	7,200	31,710
<i>Income derived from Regulatory Levies</i>	<i>51,280</i>	<i>59,330</i>	<i>63,750</i>	<i>109,100</i>	<i>96,097</i>	<i>379,557</i>
Actual Budget and Revenue since 2021						
Actual regulatory costs	100,064	130,345	104,977	154,397	141,997	489,783
Numbering fees	1,976	1,336	1,157	5,856	3,034	10,325
Type Approval fees	309	449	452	636	550	1,846
Spectrum Management Fees	31,722	32,570	53,521	35,540	42,446	153,353
<i>Interest and other income</i>	8,522	3,901	11,339	15,264	13,137	39,026
Portion to be funded from regulatory levies	57,535	92,089	38,508	97,101	82,830	285,233
<i>Actual Levies received</i>	<i>685</i>	<i>52,505</i>	<i>45,775</i>	<i>36,860</i>	<i>50,347</i>	<i>135,825</i>
<i>Over/(Under) recovery</i>	<i>-56,850</i>	<i>-39,584</i>	<i>7,267</i>	<i>-60,241</i>	<i>-32,483</i>	<i>-181,891</i>
<i>Amount not recovered</i>						<i>63,623</i>
<i>Total Under-recovery</i>						<i>-118,268</i>

The latter part of table 14 shows:

- Spectrum management fees were the only source of revenue that remained stable throughout the period.
- Actual regulatory levies received fell short of the actual regulatory costs in most years – which led to a significant under-recovery of N\$ 118,268 million.
- A full perspective of Table 14 shows that there was a persistent gap between regulatory costs (over the 5-year period) and the actual levy collected over the period, which signifies a cumulative under-recovery of N\$118,268 million over the period.

The main reasons for this under-recovery were as follows:

- (i) The prolonged litigation resulting in settlement agreements with licensees to the amount of N\$ 63 million that contributed to the under-recovery. This must be subtracted from the under-recovery to ensure that licensees do not subsidise non-paying licensees.
- (ii) The original levy proposed in 2021 was 1.5% because that was what the Authority needed to cover its total regulatory costs but after consultation with the ICT sector it was reduced to 1%. This resulted in the under-recovery over the 5 years.

This, therefore, leads to the application of section 23(8) of the Communications Act, 2009, as amended which allows the Authority to take corrective action when income from the regulatory levy falls short of the regulatory costs. The corrective action may include, adjusting the levy upward or imposing a once off higher levy to offset the cumulative under-recovery. The essence of section 23(8) is to ensure that the regulator remains adequately funded and that past revenue shortfalls do not compromise future mandate execution.

6.2 *Regulatory Costs 2026 to 2031*

The second objective of the regulatory levy, as set out in section 23(4) of the Communications Act, 2009, as amended is to ensure that the income for the Authority is sufficient to defray regulatory costs thereby enabling the Authority to provide quality regulation.

When setting the new levy, section 23(5) of the Communications Act, 2009 as amended provides that, the Authority must duly consider, in view of its regulatory costs, the income it requires and the proportion of such income which should be funded from the regulatory levy.

Section 23 of the Communications Act, 2009, defines regulatory costs as follows:

“Regulatory costs means the operating expenses and capital costs, whether actual or properly estimated or projected, required by the Authority in the performance of its functions including, without limiting the foregoing generality, remuneration and other employment related expenditures and all other administrative expenditures and providing for reserves and other liabilities and expenditures required for the purposes of –

- (a) the pursuit of the objects of the Act set out in section 2 and the Authority set out in section 5;
- (b) Developing and implementing communications industry policies;
- (c) Rendering services to the communications industry;
- (d) Fulfilling the communications policy objectives and any other requirements under this Act;
- (e) The regulation of the communications industry or for any communications regulatory purposes.”

To this end, Table 16 below sets out the regulatory costs of CRAN, for the next 4 years (2026/2030): The total regulatory costs for the period 2026/2031 are N\$1,134 million, which reflects an increase in both operational and capital expenditure – driven by the CRAN mandate and implementation of the new strategic and integrated business plan 2026/2030. The cumulative costs were either projected, actuals or reasonably estimated to arrive at the total regulatory costs required as reflected in table 15 above.

The approved Integrated Strategic Plan for 2026/2027 to 2029/2030 indicates the following costs:

Strategic Objective	2026/2027	2027/2028	2028/2029	2029/2030	Total	USF AND NAM-CSIRT	Total CRAN
Improve Workforce Readiness and Culture	2,276	8,945	8,950	10,290	30,461		30,461
Improve the adoption of Emerging Technologies	1,510	1,810	4,410	3,810	11,540		11,540
Increase Digital innovation and Service Delivery	9,787	26,698	7,619	11,908	56,012		56,012
Improve Institutional Frameworks	300	300			600		600

Table 15: Cost of Integrated Strategic Business Plan (ISBP) 2026 -2030							
Strategic Objective	2026/2027	2027/2028	2028/2029	2029/2030	Total	USF AND NAM-CSIRT	Total CRAN
Improve Regulatory Effectiveness	1,700	5,200	2,700	700	10,300		10,300
Improve National Cyber Security and ICT Emergency Communications Resilience	6,200	11,750	17,550	7,650	43,150	41,250	1,900
Improve Financial Resilience							
Increase Digital Inclusion	64,367	59,450	32,660	28,400	184,877	167,777	17,100
Increase Stakeholder and Consumer Trust	7,350	19,970	21080	21951	70,351		70,351
Increase Market Confidence and Competitiveness	2,000	3,100	3,200	2,700	11,000		11,000
TOTAL	95,490	137,223	98,169	87,409	418,291	209,027	209,264

The total cost to implement the ISBP over the 4 years is estimated to be N\$ 209 million. The CRAN OPEX cost for the daily running of the organisation should then be added to determine the total budget of the period. Table 16 below indicates the total cost for the period 2026/2027 to 2030/2031.

Table 16: Total Forecasted Budget for 2026/2027 – 2029/2031 in N\$ million						
FY ending	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	TOTAL
OPEX forecast	163,790	171,979	180,578	189,609	200,983 ¹	906,939
CAPEX forecast	35,806	65,448	37,658	42,888	45,284	227,084
Total Budget requirement	199,596	237,427	218,236	232,497	246,267	1,134,023
Projected increase		18.95%	-8.08%	6.53%	5.92%	
Budget Projections 2026/2027 - 2029/2031						

6.3 Proportion of income to be funded from regulatory levy

The Communications Act, 2009 as amended provides for numerous sources of revenue, which includes regulatory levy, license fees, spectrum management fees, type approval and numbering fees. Table 16 below, therefore shows the income that the Authority requires, and the different sources (as set out in the Communications Act, 2009 as amended) that will contribute to income needs. It also shows the proportion of such income which should be funded from the regulatory levy in accordance with the principles and objectives set out in section 23(3) and (4) of the Communications Act, 2009 as amended.

¹ The income required for 2030/2031 year was increased by inflation of 5% since it does not form part of the ISBP 2026-2030.

FY ending	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	TOTAL
Income required	199,596	237,427	218,236	232,497	246,267	1,134,023
Numbering fees	(5,624)	(5,905)	(6,200)	(6,510)	(6,836)	(31,075)
Type Approval fees	(1,000)	(1,200)	(1,200)	(1,200)	(1,200)	(5,800)
Spectrum Management Fees	(58,879)	(58,879)	(58,879)	(58,879)	(58,879)	(294,395)
Operational cost: USF	(600)	(660)	(726)	(799)	(878)	(3,663)
Operational Cost: NAM-CSIRT	(1,214)	(907)	(1,000)	(1,100)	(1,210)	(5,431)
Interest and Other Income	(16,195)	(17,005)	(17,855)	(18,748)	(19,000)	(88,803)
<i>Proportion of income to be funded from regulatory levy</i>	<i>116,084</i>	<i>152,871</i>	<i>132,376</i>	<i>145,261</i>	<i>158,264</i>	<i>704,856</i>
<i>Percentage of income from regulatory levy</i>	<i>58.16%</i>	<i>64.39%</i>	<i>60.66%</i>	<i>62.48%</i>	<i>64.27%</i>	<i>62.16%</i>

- This means a total of N\$ 705 million out of the N\$ 1,145 million is required over the next five years and must be funded from the regulatory levy.
- Therefore, approximately 62% of the income required must be funded from the regulatory levy.

6.4 Determination of new regulatory levy

The proportion of levy income may be summarised as follows:

- N\$ 118,268 million – this represents an under-recovery from the period 2021/2026.
- N\$ 704.856 million – this represents projected/estimated regulatory costs for the period 2026/2031.

The total required income for the next 5 years therefore amounts to N\$ 823,124 million.

Section 23(4) of the Communications Act, 2009, as amended sets out the principles for imposing the regulatory levy as follows:

- Levy impact assessment & mitigation: The effect of the levy on the financial sustainability of communications service providers must be evaluated. If it causes undue harm, the Authority should mitigate the impact by adjusting/rationalising the regulatory costs and amending the levy accordingly.
- Fair and transparent process: The levy must be determined and imposed in a way that ensures predictability, fairness, equity, transparency, and accountability.
- Alignment with best practices: The levy should be aligned with international and regional industry best practices.

Section 23(5) of the Communications Act, 2009, as amended also provides for additional factors to be considered during levy determination which includes inter alia; other sources of income under the Act, business continuity, avoiding imposition of excessive income, risk management and any other necessary considerations.

The determination of the appropriate regulatory levy is grounded in empirical analysis of licensees' financial performance over a sustained multi-year period. Audited Financial Statements of the licensees for the financial years 2020/2021 to 2023/2024 reveal that the revenue of telecommunication licensees increased at an average rate of 5% per annum over this period, reflecting a sector with demonstrable and sustained capacity to absorb proportionate regulatory costs. This growth trajectory informed a conservative forward projection that telecommunication licensee revenue would continue to increase at 5% per annum, a projection that mirrors historical averages rather than peak performance.

Broadcasting and postal licensee revenues, by contrast, recorded declines of 0.37% and 7% respectively over the same period and were accordingly held constant at 2024 levels for modelling purposes. This differentiated treatment of licensee categories is not a concession but a deliberate expression of the proportionality principle: the levy methodology is calibrated to sectoral financial trajectories, ensuring that no licensee category is subjected to undue financial pressure inconsistent with its revenue-bearing capacity. The resulting levy structure is therefore both evidence-based and equitable, reflecting the Authority's obligation under section 23 of the Communications Act, 2009 to have regard to, amongst other considerations, the financial sustainability of licensees and the avoidance of the imposition of excessive income

Table 17 below models' different percentages on the gross revenue of licensees.

Different percentages of Regulatory Levies				
Licensees	2.1%	2.2%	2.25%	2.3%
Telecommunications	716,947,913	750,932,337	767,799,549	784,916,762
Broadcasting	55,621,982	55,621,982	55,621,982	55,621,982
Postal	5,775,330	5,775,330	5,775,330	5,775,330
TOTAL	778,345,225	812,329,649	829,196,861	846,314,074

Several different percentages for the levy were modelled to determine the levy that would be closest to the amount of income required by the Authority.

- Any percentage below 2.25% for telecommunications and 1.2% for broadcasting and postal services would not be able to cover the total regulatory cost plus the under-recovery of the previous period.
- The regulatory levy percentages as indicated above would result in N\$ 829 million income against the N\$ 823 million required resulting in an over-recovery of 6 million.

Having considered the above legal considerations, Table 18 below depicts the levy as determined:

FY	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	TOTAL
Total Required Income	(116,084)	(152,871)	(132,376)	(145,261)	(158,264)	(704,856)
Under-recovery from the previous period	(23,654)	(23,654)	(23,654)	(23,653)	(23,653)	(118,268)
Levies to be collected at 2.25% based on regulatory costs actual, projected or estimated for the period 2026/2031	151,291	158,210	165,476	173,104	181,114	829,195
Over or (under) recovery	11,553	(18,315)	9,446	4,190	(803)	6,071

FIGURE 2: LEVY REQUIREMENT AND COLLECTION**6.5 Assessment of Levy Impact on Communications Service Providers**

As indicated above, section 23(4) of the Communications Act, 2009 as amended provides that the Authority must evaluate the effect of the levy on the financial sustainability of communications service providers. If it causes undue harm, the Authority should mitigate the impact by adjusting/rationalising the regulatory costs and amending the levy accordingly.

The following considerations were made:

- The determination of the impact that the levy by itself would have as a percentage of total cost of the licensees as well as the total revenue of the communications service providers as per Table 19.
- The determination of the impact of the total cost paid towards CRAN (this includes spectrum fees, numbering fees, the universal service levy and the regulatory levy) as a percentage of total cost of the communications service providers as well as the total revenue of the communications service providers as per Table 20.

Licensees	Impact of Current Regulatory levy (1%)	Impact of proposed Regulatory Levy (2.25%)	Difference
Telecom Namibia	1.08%	2.43%	1.35%
MTC	1.63%	3.66%	2.03%
Paratus	1.20%	4.67%	3.47%
Others: Telco	2.01%	3.87%	1.86%
MultiChoice	3.23%	2.49%	-0.74%
Others Broadcasting	0.03%	0.29%	0.26%

Licensees	Impact of Current Regulatory levy (1%)	Impact of proposed Regulatory Levy (2.25%)	Difference
Telecom Namibia	2.34%	3.69%	1.35%
MTC	3%	5.03%	2.03%
Paratus	3.1%	6.57%	3.47%
Others: Telco	2.01%	3.87%	1.86%
MultiChoice	3.36%	2.62%	-0.74%
Others Broadcasting	0.22%	0.49%	0.26%

Notes on Tables 19 and 20 above:

- Demonstrates the proportional contribution and impact of some of the communications service providers towards the regulatory levy at the proposed 2.25% to evaluate impact on communications service providers.
- The evaluation was done using the largest licensees in terms of revenue, and an aggregate of the average of other communications service providers.
- The impact of a 1.2% levy was evaluated on the largest broadcaster and an average of the other broadcasters.
- The impact of the levy is calculated as a percentage of the total expense/cost against the current levy of 1% and the proposed levy. Both calculations for the impact of the levy and the impact of the total regulatory cost were done.

The information from the 2024 financial statements were used for all calculations.

The key insights of table 19 are:

- Mobile Telecommunications Limited: From a cost perspective, carries a high obligation towards the regulatory costs since it is the largest licensee in terms of customers, assets and revenue.
- MultiChoice Namibia (Pty) Ltd: has a balanced impact from a cost perspective. A 1.2% Regulatory levy will result in a slight reduction of cost.
- Paratus Telecommunications: experiences the highest impact from the levy of the big operators.
- Average for other licensees: shows a high impact on the cost.

The reason for the high impact on the smaller operators is that they had the advantage of a glide-path regulatory levy percentage that resulted in a levy in line with the size of their revenue.

From the Tables 19 and 20 above a regulatory levy of 2.25% for telecommunication licensees might be too high and could have a negative impact on the smaller telecommunications service providers. This could lead to lower profit margins and price increases to the end-consumer.

A 2.25% regulatory levy will result in an over-recovery of N\$ 6,071 million that will have to be recovered when the next review of the levy is done.

Overall, the quantitative assessment demonstrates that the levy cost impact ranging from 2.43% for Telecom Namibia, 3.66% for MTC, 4.67% for Paratus and fixed charges for non-profit and community operators, are distributed in a manner that supports sectorial resilience while ensuring the Authority's mandate is sustainably funded. Although Paratus and other small telecommunication licensees cost impact differs materially. The Authority's commits to monitor the financial position during the first year to provide a safeguard against potential financial strain.

Larger telecommunication operators, continue to benefit from scale economies that enable cost absorption without jeopardising viability or service continuity. Simultaneously, smaller and non-profit operators remain protected through a deliberately structured minimum threshold and progressive formula. When viewed collectively, these outcomes affirm that the levy framework advances long-term regulatory and industry sustainability by ensuring adequate cost recovery, equitable burden-sharing, and the preservation of competitive and financially stable telecommunications and broadcasting markets consistent with the principle of section 23(4)(a).

7. Proposed Regulatory Levies

Regulation 3(1) of the Regulations regarding Administrative and Licence Fees for Service Licences published under General Notice No. 238 of 22 June 2021 in Government Gazette No. 7559, sets out the current formula to determine the regulatory levy as follows:

Levy % = MAX(500, MIN(1.0%, 0.00000000010 × Turnover) × Turnover)

Pursuant to section 23(2)(b) of the Communications Act, 2009, as amended, the Authority imposes a fixed minimum amount payable by providers of communications services irrespective of the percentage-based form of the regulatory levy.

The proposal at hand is this formula be changed to be more sustainable in the long run. The following changes will also be introduced:

- Minimum threshold: The minimum of N\$ 500 be increased to N\$ 2,000 for non-profit and small broadcasting licensees to still contribute towards the cost of CRAN for regulation.
- The minimum for telecommunication licensees be increased to N\$ 25,000. This is necessary since Class ECS and Class ECNS licensees are commercial licensees providing services to themselves. These licensees cannot be treated as non-profit licensees and need to contribute towards the levy as commercial entities.

- Maximum threshold: The maximum threshold was removed.
- All telecommunications licensees will pay a 2.25% regulatory levy on the turnover derived from regulated communications services.

All broadcasting and postal licensees will pay a 1.2% regulatory levy on turnover.

The Authority exercises its discretion under sections 23(2)(a)(ii) and (ii) of the Communications Act, 2009, as amended to impose different levy rates on different categories of services and classes of licence. The differentiation between telecommunications licensees, broadcasting and postal licensees is based on the cost allocation rationale as follows:

- the majority of the Authority's regulatory cost base, comprising spectrum management, type approval, enforcement and technical regulation is attributable to the regulation of telecommunications services;
- the broadcasting and postal sectors, while regulated, impose a proportionally lower regulatory cost burden on the Authority; and
- the comparative data in Table 12 demonstrates that the current 1% broadcasting levy is consistent with regional benchmarks, including Botswana, while the telecommunications levy requires adjustment to fund CRAN's full regulatory cost base.

In light of the above, table 21 sets out the proposed regulatory levy

Table 21: Proposed Regulatory Levy	
Licence Types	Regulatory Levy
Telecommunications – Individual Comprehensive (ECNS and ECS)	Levy % = MAX(25,000,(2.25%*Turnover))
Telecommunications – Class ECNS	Levy % = MAX(25,000,(2.25%*Turnover))
Telecommunications – Class ECS	Levy % = MAX(25,000,(2.25%*Turnover))
Telecommunications – Class Comprehensive (ECNS and ECS)	Levy % = MAX(25,000,(2.25%*Turnover))
Telecommunications – Network Facilities	Levy % = MAX(25,000,(2.25%*Turnover))
Telecommunications – Non-profit (ECNS and ECS)	Levy = N\$ 2,000.00
Broadcasting - Commercial	Levy % = MAX(2,000,(1.2%,*Turnover))
Broadcasting - Community	Levy = N\$ 2000.00
Broadcasting - Public	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting – Signal Distribution	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting - Multiplex	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting – Class Comprehensive	Levy % = MAX(2,000,1.2%*Turnover)
Broadcasting – Multiplex and Signal Distribution	Levy % = MAX(2,000,1.2%*Turnover)
Postal – Designated Postal Operator	Levy % = MAX(2,000,1.2%*Turnover)
Postal – Private Postal Service	Levy % = MAX(2,000,1.2%*Turnover)

8. Conclusion and Recommendations

In conclusion:

The regulatory levy be set at 2.25% of turnover/revenue for telecommunication licensees and 1.2% of turnover for broadcasting and postal licensees to enable CRAN to cover the cost of regulation over the next 5 years. The 2.25% includes the N\$ 705 million for the regulatory costs 2026/2031 and the N\$ 118.3 million under recovery from the period 2021/2025. The corrective action taken in dealing with the under-recovery is to increase the levy upward.

- Fixing the levy for the next 5 years will create certainty for licensees, as they know what they will be paying.
- A fixed levy percentage reduces the risk to the regulator of experiencing financial shortfalls while regulating the industry.
- The following is recommended for the purposes of this discussion document:

- All other licence fees were adjusted with inflation and rounded.
- The regulatory levy should be set at maximum 2.25% of revenues for telecommunication licensees and 1.2% for broadcasting and postal licensees calculated in terms of the formula as set out in the regulations.
- The minimum regulatory levy for non-profit communications service providers was increased to N\$ 2,000 per year.
- Increase the minimum regulatory levy for telecommunication licensees to N\$ 25,000. The Class ECS or Class ECNS licensees are profitable entities and should therefore contribute towards the cost of regulation.

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ANNEXURE

COMMENTS AND REPLY COMMENTS ON NOTICE OF INTENTION TO AMEND REGULATIONS PRESCRIBING LICENCE FEES AND REGULATORY LEVIES

Comments	Reply Comments
Mobile Telecommunications Limited	
<p>1. Point in Limine - Premature Notice to Amend</p> <p>Section 23(6) of the Act stipulates as follows: <i>'(6) The Authority must before the expiry of five years from the last imposition of the levy or a last review under this section, review the regulatory levy to ensure that the levy is compliant with the requirements set out in this section and that there are no continued under-or over-recoveries. (own emphasis added)</i></p> <p>According to the Notice to Amend, the regulatory levy-cycle was only effective and/or implemented in June 2024 after the Supreme Court ruling. This is notwithstanding the initial General Notice No. 238 published in Government Gazette No. 7559 on 22 June 2021.</p> <p>In addition, the rationale for the five-year levy cycle is to determine 'under or over recoveries' on levies, which could imply that such a determination (i.e., over or under-recoveries) could only be made after levies are imposed (or collected) for a 5-year period, which is not the case.</p>	<p>MTC's contention that the review is premature is a misinterpretation of section 23(6) of the Communication, 2009(Act No. 8 of 200). Section 23(6) of the Act provides that:</p> <p><i>"The Authority must, before the expiry of five years from the last imposition of the levy or a last review under this section, review the regulatory levy to ensure that the levy is compliant with the requirements of this section and that there are no continued under- or over-recoveries."</i></p> <p>This provision sets a maximum interval within which a review must occur. The regulatory levy was imposed under the Regulations Prescribing Licence fees and Regulatory Levies, published under section 129 of the Communications Act, 2009, in General Notice No. 238 of 22 June 2021, Gazette No. 7559. This date constitutes the last imposition of levy consistent with section 23(6) of the Act.</p>

<p>Thus, the automatic review of the regulatory levy within 5 years of its imposition or review as prescribed in section 23(6) of the Act would only be effective in June 2029. The Notice to Amend is therefore premature.</p>	<p>A central premise of MTC’s comments is that the regulatory levy became effective only upon the Supreme Court’s ruling in March 2024. CRAN submits that this reading of the legal position of the law is not consistent with either the Supreme Court’s decision or the principles of constitutional law that a legislative provision does not cease to be valid merely because it is subject to a legal challenge. Section 23 of the Act retained its full legal force and effect from the date of its commencement, as there was no court order declaring otherwise.</p> <p>The present review is being undertaken within the prescribed five-year period.</p> <p>Accordingly, this review is both timely and necessary to ensure that the levy remains compliant with statutory requirements, including the avoidance of continued under- or over-recovery, hence the proposed amendment is consistent with both the latter and the purpose of the Act.</p>
<p>2. Limits on Regulatory Levy</p> <p>Section 23 of the Communications Act, 2009 authorises the imposition of a regulatory levy for a single and narrowly circumscribed purpose, namely, to defray regulatory expenses. The statutory language is deliberate and restrictive. It does not empower CRAN to raise revenue generally, nor does it establish the regulatory levy as a standing institutional funding mechanism. Properly construed, section 23 permits only a cost-recovery instrument, the legality of which depends on a demonstrable and rational nexus between the levy imposed and the regulatory costs it is intended to recover.</p> <p>This construction is reinforced by the express statutory obligation placed on CRAN to avoid, as far as reasonably possible or predictable, the recovery of income in substantial excess of its regulatory costs. Over-recovery is therefore an incidental consequence of levy-setting as emphasised by the Supreme Court.</p> <p>The Supreme Court has confirmed that the constitutionality of section 23 rests not on regulatory self-restraint, but on the existence of enforceable legal limits constraining CRAN’s discretion. In upholding the amended section 23, the Court emphasised that regulatory levies remain lawful only because they are confined to defraying regulatory costs. The Court expressly rejected the notion that CRAN enjoys plenary authority to determine its own funding needs, making clear that the levy must remain instrumental to regulation and may not be converted into an independent revenue-raising mechanism.</p>	<p>The statutory basis for CRAN’s imposition of the levy is expressly conferred by section 23 of the Act, and the proposed levy has been developed in strict accordance with the requirements of the provision. The submission that the proposed levy is an impermissible revenue-raising mechanism is not supported. However, the regulatory levy is a cost-recovery instrument. This is consistent with section 23(3)(a), which frames the levy’s objective as ensuring income sufficient to defray regulatory costs, and the whole review exercise is aligned to this framework. CRAN, however, respectfully does not accept MTC’s implicit suggestion that cost recovery must be interpreted so narrowly as to exclude the Authority’s full range of legitimate regulatory expenditure.</p> <p>Section 23(5)(a) requires the Authority to consider not only its direct operational costs but also income from other sources, the necessity of reasonable reserves for business continuity and risk management needs within the communications industry. Furthermore, CRAN takes seriously the obligation under section 23(4)(b) to ensure predictability, fairness, equity, transparency and accountability in the determination and imposition of the levy. Section 23(7) provides that <i>“If the Authority has received regulatory levy income in excess of its regulatory costs, the Authority may retain such over-recovery but must set it off against the projected regulatory costs used for the next regulatory levy determination and imposition.”</i> Whilst section 23(8) provides for circumstances where there is an under-recover condition, it provides that:</p>

<p>CRAN was not entitled to recover any alleged under-recoveries in respect of periods preceding the lawful effective date of the regulatory levy, as confirmed by the Supreme Court. Any attempt to recharacterise historic non-collection as recoverable “under-recovery” due to litigation offends the principles of legality and impermissibly converts the regulatory levy into a retroactive revenue-raising mechanism.</p> <p>The levy was only effectively implemented in June 2024 following the Supreme Court’s ruling, notwithstanding the earlier publication of General Notice No. 238 in Government Gazette No. 7559 of 22 June 2021.</p> <p>In the present instance, the proposed amendment has precisely that effect. In the absence of a published and costed strategic plan for the next five-year period, and in the absence of a clear, itemised definition of the actual regulatory costs sought to be recovered, the proposed levy is no longer anchored to identifiable regulatory expenditure. Instead, it operates as a mechanism to secure revenue in advance of, and disconnected from, demonstrable regulatory need.</p> <p>As will be evident from the analysis that follows, CRAN has not established a credible cost basis capable of justifying either the quantum of the proposed levy or the extent of projected collections. In these circumstances, the levy ceases to function as a cost-recovery instrument and is converted into an impermissible revenue-raising mechanism, contrary to section 23 of the Act and the binding constraints articulated by the Supreme Court.</p>	<p><i>“If the Authority receives income from the regulatory levy less than its regulatory costs in a period during which such regulatory levy applied, or during a specific period, received no income from the regulatory levy for whatever reason, the Authority may, when determining and imposing the next regulatory levy –</i></p> <p><i>(a) adjust the regulatory levy, and determine a higher regulatory levy, to recover such under-recovery during the period during which the next regulatory levy will apply; or</i></p> <p><i>(b) determine a once-off higher regulatory levy for the first period during which the next regulatory levy will apply to recover such under-recovery and for the remaining period or periods a different regulatory levy in accordance with subsection (5).</i></p> <p>Consistent with section 23(8), where the levy applied during the period of imposition, but income was not fully received during that operative period for whatever reason, the statute expressly authorises the Authority to account for that shortfall when determining the next levy. This is a prospective adjustment mechanism built into the Act by the legislature. It is not a retroactive imposition, however, a corrective mechanism is provided to accommodate situations such as this.</p> <p>To the extent MTC’s concern is that the cost basis has not been sufficiently articulated, CRAN commits to providing, through the rule-making process, a clear account of the regulatory costs underpinning the proposed levy, cross-referenced to its strategic and financial planning instruments as required by section 23(5)(a)(i).</p> <p>CRAN notes, however, that the absence of a published five-year strategic plan at the time of consultation does not, in itself, render the levy unlawful. The statutory obligation is to consider the plan in the determination process, not to publish it as a precondition to levy-setting. CRAN has complied with this internal obligation and will make the relevant cost projections available to stakeholders to the extent consistent with its institutional responsibilities.</p>
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<p>3. Reasons for the under-recovery</p> <p>CRAN has proposed amendments in the past to increase the levy to 1.5% in 2012, and 1.65% at a later period to defray its costs. These proposed amendments were not passed following legal appeals by the operators. After the latest proposed amendment to the levy, placing the levy at 1%, we note that another legal appeal led the Supreme Court to find the regulatory levy to be unconstitutional. This resulted in the levy being set aside from 2022 onwards.³ In 2024, after legal appeal by CRAN, the Supreme Court ruled in favour of the levy, which allowed CRAN to collect the levy from the date of the Supreme Court decision.</p> <p>CRAN claims it has under-recovered its costs over the previous 5 years. In the Notice, CRAN claims the amount under-recovered is roughly N\$182 million.</p>	<p>The under-recovery of N\$ 182 million as documented in the Concise Reason Document was a result of the following:</p> <ol style="list-style-type: none"> 1. The litigation of the previous period, as indicated in the Concise Reasons paper, which led to settlement agreements. 2. The effect of settlement agreements with some licensees resulting in under-recovery; and 3. The shortfall resulting from the reduction of the initial proposed levy from 1.5% to 1% due to licensees' appeal that then proposed 1.5% levy would be too high. CRAN has decided that each revenue stream should be more or less cost-reflective, and for this reason, activity-based costing is utilised. This resulted in much lower spectrum fees, licence fees and type approval fees than other jurisdictions. Most countries in the benchmark largest source of revenue is spectrum fees or licences fees.
<p>In seeking to amend the levy, CRAN is legally required to comply with section 23(4)(a)-(c) of the Act, including having due regard to the impact of the levy on the sustainability of licensees, mitigating any unreasonable negative impact on such sustainability through the rationalisation of regulatory costs and corresponding amendment of the proposed levy, ensuring predictability, fairness, equitability, transparency and accountability in the imposition of levies, and aligning the levy with regional and international best practices. The primary objective of the regulatory levy remains the defraying of regulatory costs.</p> <p>We consider CRAN's levy proposals against international best practice, which CRAN says it relies on (and indeed must rely on).⁵ For instance, the OECD guidelines for cost recovery by regulators require that:</p> <p>Funding should be transparent, and justifiable. The OECD notes that:</p> <p><i>“The process for determining cost recovery fees (imposed by either independent or ministerial regulators) and how they apply should be clear, understandable, accessible to all stakeholders and, above all, transparent.”</i></p> <p>Fees should reflect the cost of the activity completed by the regulator. While it is common for regulators to recover costs from the industry they manage, they note a <i>“regulator’s funding should be reflected in the resources required to perform its functions”</i>.</p>	<p>The proposed levy formulae ensures that each licensee pays fees that correspond to the accrual cost of the regulatory services and functions of each licensee. It is relevant to note that MTC has substantially benefited from the existing N\$ 1 billion revenue cap for a considerable number of years. During that period, MTC's revenues have exceeded that cap, meaning MTC has paid a progressively lower effective levy rate as its revenue has grown. The proposed cap at \$ 2 billion is not punitive but a measured adjustment, still allowing for substantial revenue that will not be levied. The proposed formula does not penalise scale; however, it ensures proportionality.</p> <p>A clear analysis of the levy's impact was provided in the Concise Reasons document. This will, however, be updated in the revised document that will be published for further comment.</p>

CRAN, in their reasoning, says that it has taken into account the following when computing the levy increase:

“Compliance with statutory requirements and alignment with regional and international best practices, benchmarked against Zambia, Uganda, Tanzania, Botswana, Zimbabwe and South Africa;”
“Licence fees and the regulatory levy must not create barriers to market entry and must support the objectives of the Communications Act, including universal access and efficiency;”

“CRAN’s financial position, including revenue, operational expenses, budget projections and funding requirements”

In summary, we consider that CRAN has made errors that mean that the proposed increase is unjustified:

The examples used to benchmark CRAN’s proposal in the vast majority of cases do not support it; CRAN’s proposed levy of 3% is only comparable to the levy imposed in one out of the six countries CRAN has benchmarked, and the rest impose significantly lower levies.

CRAN appears to have grossly overestimated its regulatory costs even when considering the expansion of new activities planned by CRAN. CRAN has not justified these estimates at all, and CRAN’s estimates bear no relationship with the regulatory costs reported in its published annual financial statements.

CRAN is not following best practice in recovering the bulk of its revenues through regulatory levies rather than alternative sources of income.

Only an unreasonably high levy will cover CRAN’s proposed funding requirements which suggests that its funding requirements are unreasonable.

The proposed Revenue Cap favours Telecom Namibia and Paratus, which cannot be considered new entrants. An ad valorem regulatory levy imposed on gross revenue constitutes a variable cost that licensees must take into account in the setting of prices. As a consequence, such costs are ordinarily passed through to consumers, with the foreseeable effect of increasing the price of communications services.

A substantial increase in the levy therefore engages the objects of section 2 of the Communications Act, which require that the costs of communications services remain just, reasonable, and affordable, and that regulatory fees be revised and lowered where appropriate.

<p>This effect must further be assessed against section 23 as interpreted by the Supreme Court, which upheld the regulatory levy framework only on the basis that it is confined to defraying regulatory costs and is subject to an express obligation to avoid over-recovery. A levy increase that foreseeably elevates consumer prices, absent a demonstrable and cost-anchored justification, reflects a failure to give adequate regard to consumer interests and exceeds the regulatory purpose sanctioned by the Supreme Court. CRAN's proposal is not economically sound, and it is not justified from the economic perspective. The proposed amendment will result in CRAN substantially over-recovering efficiently incurred costs.</p> <p>In order for CRAN to effectively amend the Regulations Prescribing License Fees and Regulatory Levies, CRAN must comply with section 23(4)(a) -(c) of the Act, namely: Have due regard to 'the impact...on the sustainability' of operators; and</p> <p>If the levy has an 'unreasonable negative impact on such sustainability' to mitigate the impact as far as practicable 'by means of the rationalization of the regulatory cost and the corresponding amendment of the proposed levy'; Ensure predictability, fairness, equitability, transparency and accountability in the determination of and imposition of levies; and Be aligned with regional and international best practices.</p> <p>The above considerations are applied against the main objective of the regulatory levy, which is to defray regulatory costs. MTC herewith sets out its objections against the proposed amendment in light of the above legal and economic considerations.</p>	
<p>4. Benchmark of CRAN's proposed fee against comparisons</p> <p>Of the six benchmark countries that CRAN has selected, CRAN's proposed 3% is levied only in one country, Zambia. Three of the comparison countries noted by CRAN impose a levy of less than the 3% proposed by CRAN, a fourth country imposes the levy on net operating revenue rather than total revenue, and in another country the levy included universal service. Table 1 below provides a summary of CRAN's inter-country levy comparison.</p>	<p>It should be mentioned once again that countries with lower regulatory levies charge very high spectrum fees to balance their budgets.</p> <p>However, CRAN will conduct an in-depth analysis of Botswana, as it is comparable in size and population, in the updated Concise Reasons document.</p>

Table 1: CRAN's inter-country levy comparison	
Country	Equivalent Levy applicable to MTC
Botswana	3% of net operating revenue
South Africa	0.35% of licence revenue (Annual License Fee)
Tanzania	1% of gross annual turnover
Uganda	2% of gross annual revenue
Zambia	3% of gross annual revenue (Service Licence with network)
Zimbabwe	3.5% of monthly gross turnover plus VAT (includes USF)

Source: The Notice, with minor notes added by Acacia (see main text for sources).

In the case of Zimbabwe, **CRAN** explains that these fees are considered rather high, and the government of Zimbabwe seems to agree. In December 2025, the government announced its intention to review mobile network fees, including regulatory levies, with the aim of lowering them to reduce unnecessary costs being passed to consumers. Further, because this regulatory levy listed in the Notice is inclusive of the Universal Service Fund (USF) levy, it is not comparable to CRAN's proposed levy.

Considering the case of the regulator in Botswana, BOCRA, a 2022 survey commissioned by BOCRA suggested that operators are dissatisfied with the current levy, and the survey reflected dissatisfaction among operators regarding the current licensing costs in general. Furthermore, in Botswana, unlike the levy proposed by CRAN, the fees are applied to net revenue, not gross, and so are not comparable. Lastly, in the case of Zambia, the regulator (ZICTA) has announced its intention to rethink general industry regulations, due to current quality of service deficiencies and dissatisfaction with current trajectory of national digital development.

CRAN argues that it requires higher regulatory levies than other regulators because it does not receive income from the government. For example, CRAN points out that regulators like ICASA in South Africa can afford to charge low annual license fees because it receives funding from the Department of Communications.

CRAN's benchmarking exercise, as set out in the Concise Reasons document, is based on official and published sources from the selected jurisdictions. Comparisons drawn from announced intentions to amend levies that have not yet been formally published cannot be treated as established regulatory practice and do not constitute a valid basis for comparative analysis. CRAN acknowledges the important observation that these jurisdictions might have lower regulatory levies; however, they maintain higher spectrum fees, which serve as their primary source of regulatory revenue.

This is a valid and useful point of context. It reflects a deliberate design choice in those jurisdictions and not a universal standard that CRAN is required to replicate. CRAN's activity-based costing methodology has resulted in spectrum fees, licence fees, and type approval fees set at cost-reflective levels that are lower than in many comparable jurisdictions, precisely because CRAN has chosen not to use those fees as cross-subsidising instruments. The consequence of this design is that the regulatory levy bears a proportionally greater share of the overall cost recovery, a transparent and rational outcome of the applied costing methodology.

CRAN has taken note of the recommendation and, in the updated Concise Reasons document, provide a more detailed analysis of Botswana's regulatory funding model, given the comparable size and population of the two countries.

However, this ignores the fact that ICASA raises very large sums of money through radio frequency spectrum auctions which accrue to the fiscus, which permits the fiscus room to fund ICASA. Were CRAN to implement regulatory best practice in this regard, it too would not have to charge large regulatory levies.

It is also important to note that additional African countries charge fees lower than CRAN's proposed amendment. For instance, the Communications Authority of Kenya currently charges an annual license fee of 0.4% on gross annual turnover. Further, Nigeria's regulator, the NCC, charges fees of 2.5% on net operating revenue. Outside of Africa, the regulator in the UK, Ofcom, charges provider administrative fees as little as 0.0788% of gross revenue while the FCC in the United States charges 0.005125% of revenue.

Furthermore, CRAN states in their reasoning that: *"Generally, when comparing licence fees and regulatory levies across other jurisdictions, the comparison should focus on total regulatory costs relative to revenues."* This is a sensible approach, as different regulators likely face variable regulatory costs and mandates. Merely comparing fees without this context would likely be an oversimplified benchmark. However, CRAN does not discuss, or mention, the regulatory costs, total expenditure, or the total revenue, of any of the other regulators it uses in its comparison. Therefore, CRAN's methodology for comparison does not sufficiently account for the variable revenue and costs these regulators face.

In summary, the levies applied in CRAN's selected benchmark countries show that CRAN's proposed increase in the levy is high and therefore unjustified. Furthermore, none of these example countries impose an equivalent Revenue Cap. CRAN also does not consider the expenditure, revenue, or regulatory costs of any of the other regulators, which means that its benchmarking exercise cannot be used to justify its increase in levies.

5. Cost recovery assessment

CRAN claims that they require over \$N1.1 billion to recover the cost of regulatory activities over the next 5 years (Table 3), which seems implausible given that it cost around half as much to do so in the previous 5 years (Table 2).

<p>As such their projected budget over the next 5 years, is to roughly more than double per year, compared to its most recently published financial statements in 2024. CRAN proposes that this is in line with its 5-year strategic plan, which as at the time this report was written, has not been published. As at the 2023/24 financial statements, CRAN's most recent published financial statements, CRAN's current expenditure is reported as roughly N\$100 million while its 2027 projection jumps to N\$199 million.</p> <p>With reference to Table 2, CRAN is requested to specify what costs are being recovered in the 'income required' row, and what the basis is for its estimates of the various sources of revenue reflected in the rows below that. Any costs purportedly relied upon to justify the proposed levy must be expressly identified, quantified, and demonstrated to constitute legitimate regulatory costs recoverable under section 23 of the Act.</p> <p>With reference to Table 3, CRAN is requested to identify and itemise the regulatory activities comprising the 71% of telecommunications regulatory costs proposed to be recovered through the regulatory levy. This clarification is required given that numbering, spectrum management, and type-approval activities are already funded through separate, cost-specific fees. In the absence of a transparent cost allocation demonstrating that the levy is confined to unrecovered, efficiently incurred regulatory costs, the proposal indicates duplication and over-recovery, and is inconsistent with section 23 of the Act as interpreted by the Supreme Court.</p> <p>CRAN has not explained how its costs justify an increase in its budget and, correspondingly, an increase in the levy to recover this expenditure. CRAN notes dramatic increases in operating expenses and capital expenses over the 5-year period but does not describe the details of these expenses.</p> <p>Therefore, there is no economically sound basis for increasing the levy. CRAN certainly incurs some regulatory costs by carrying out its duties which we will now consider. However, we do not consider it likely that reasonably incurred costs would increase by more than inflation in the coming years.</p>	<p>The Concise Reasons document will be updated to include a full itemisation of strategic costs in accordance with the provisionally approved Integrated Strategic Plan for 2026-2023 and the regulator's operational costs.</p> <p>Kindly note that the amended section 23 also amended the definition of regulatory costs to read as follows:</p> <p><i>"regulatory costs' means the operating expenses and capital costs, whether actual or properly estimated or projected, required by the Authority in the performance of its functions, including, without limiting the foregoing generality, remuneration and other employment-related expenditures and all other administrative expenditures and providing for reserves and other liabilities and expenditures required for –</i></p> <p><i>(a) the pursuit of the objects of this Act set out in section 2, and the Authority set out in section 5;</i></p> <p><i>(b) developing and implementing communications industry policies;</i></p> <p><i>(c) rendering services to the communications industry;</i></p> <p><i>(d) fulfilling the communications policy objectives and any other requirements under this Act;</i></p> <p><i>(e) the regulation of the communications industry or for any communications regulatory purposes."</i></p>
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<p>Table 2 and Table 3 above show the projected budget provided by CRAN as well as the regulatory costs it claims it has incurred over the past 5 years.</p> <p>Further, some of the income projections by CRAN are erroneous:</p> <ul style="list-style-type: none"> · Spectrum management fees: CRAN is entitled to raising these fees each year by at least as much as inflation, yet it projects these fees to remain constant between 2027 and 2031. · Type-approval fees: Similarly, type-approval fees remain constant. · Postal: CRAN also omits income generated from postal fees. <p>Furthermore, CRAN has not published financial statements since 2024 which makes it difficult to verify why its costs increased by 47% for the following financial year (Table 2).</p> <p>In addition to this, the value of the actual regulatory costs for the financial years ended 2022, 2023, and 2024 listed by CRAN in the Notice are significantly different to its total operating expenditure, as detailed in its annual reports. Figure 1 provides a comparison of these reported costs, with the values differing by approximately N\$30-N\$40 million for 2022 and 2023, and N\$4 million for the financial year ended 2024. After subtracting the value of bad debt (approximately N\$64 million) from the total operating expenditure for 2022 reflected in CRAN’s annual report, we found a much more reasonable representation of expenditure in comparison to the budget requirement.</p> <p>However, it is difficult to reconcile CRAN’s reported actual regulatory costs in the Notice with total operating expenditure from its annual financial statements, which are very different, without further clarification from CRAN.</p> <p>CRAN argues that approximately 71% of its budget must be funded from regulatory levies alone over the period 2026 to 2031</p>	<p>The amended definition is comprehensive and encompasses, amongst all the other listed regulatory activities, the costs of rendering services to the communications industry and other requirements under the Act. The costs, as indicated by MTC, are therefore justified as per the definition provided above.</p> <p>Further note that the Act does not require CRAN to expressly identify, quantify and demonstrate that it constitutes a legitimate regulatory cost recoverable under section 23. The responsibility of approving CRAN’s budget, Annual Financial Business Plan, and Integrated Strategic Plans is approved by the Minister as required and indicated by the Public Enterprises Act and the Communications Act. CRAN’s projected costs have been developed in accordance with these laws and submitted for ministerial consideration. The Integrated Strategic Business Plan has received conditional approval from the Minister, subject to endorsement by the incoming Board of Directors. The audited financial statements for the 2024/2025 financial year have been submitted to the Minister and are awaiting parliamentary tabling. CRAN is actively pursuing the resolution of both matters. It will update the Concise Reasons document with full strategic costs itemisation once the necessary approvals have been obtained, providing stakeholders with a further opportunity to comment.</p> <p>CRAN does not increase spectrum fees annually to ensure predictability and transparency. Spectrum fees are reviewed every 3 to 5 years and then held constant. This is the same for type approval fees. The only fees reviewed annually are numbering fees.</p> <p>Postal services are part of ICT and fall under the levy. The only fees received from the postal service is indeed the regulatory levy to which Nampost contributes. Kindly refer to our previous comment on the publication of the financial statements under section 2.</p> <p>The Concise Reasons document clearly indicates that the costs for the Universal Service Fund, NAM-CSIRT and the capital costs for PKI were not included in the costing of CRAN.</p>
<p>²⁵ However, it is not shown in the Notice what regulatory activities exactly account for 71% of expenditure, or how this income will be allocated among its regulatory activities. For this to be the case we would expect a significant proportion of CRAN’s activity to be dedicated just to regulatory activities that do not involve spectrum management, numbering, type approval, or postal, as separate fees are charged to cover the costs of those services. It is important to point out that these charges are also separate to the universal service fund contribution, which is a separate fee that licensees pay.</p>	

The main services undertaken by CRAN apply to the regulation of telecommunication services and networks, broadcasting services, postal services and the use and allocation of radio spectrum. More detailed examples of these services are shown in Table 4 below.

Table: CRAN's likely regulatory activities and services

Service	Activities
Telecommunication	1. Enforcement of compliance with standards.
Postal	1. Assessment of quality of services.
Numbering	1. Allocation of number ranges to providers. 2. Market research into numbering allocation.
Spectrum	1. Allocation of radio frequency spectrum bands. 2. Market research into band assignment 3. Assessment of consumer value and access to data and network. 4. Enforcement of standards. 5. Quality of service assessments.
Broadcasting	1. Assessment of Quality of services
Type Approval	1. Assessing type-approval applications 2. Research and assessment into equipment standards.

Source: See CRAN's website - <https://www.cran.na/about-us/>; <https://www.cran.na/strategic-plans/>
To recover the costs of the above, CRAN charges telecommunications fees, postal fees, spectrum fees, broadcasting fees and type approval fees. Spectrum fees are typically a large income source among regulators like CRAN, not least because spectrum is highly valued by the operators. On the other hand, regulatory levies are an additional fee, which are charged to defray the regulators cost of regulating the industry. For example, costs incurred for the redevelopment or assessment of regulatory frameworks should be recovered by the regulatory levy.

The regulatory fee charged to operators ought to be reflective of the activities required to do so, as well as the value provided to operators and consumers. Some of the primary regulatory activities conducted by CRAN, outside of the services described above, would include the following:

1.1 Enforcement of rules and regulations among operators. This would sometimes include legal proceedings between the operators and CRAN.

Continuous assessment of the regulations. CRAN, as is the case for other similar regulators, is required to assess whether its current regulations are up to date with internationally recognised practices.

Market research projects, which can provide insight of consumer matters, efficiency of regulations and other matters affecting the industry.

CRAN also has a mandate to expand and improve its own operational efficiency. Part of its regulatory cost is to assess whether it is effectively and efficiently carrying out its duties and enact improvements where necessary.

CRAN is also involved in developmental projects for the ICT sector. Some examples include:

Development and enabling of a 5G implementation plan.²⁷

Enabling the Harambee prosperity plan.

Various cybersecurity projects and partnerships.

Investment into and, training of, employees to carry out the above activities.³⁰ Employee costs account around half of CRAN's expenditure in 2024.³¹

CRAN's has outlined some new initiatives that can account for some increased costs. These include:

Initiatives to strengthen new technology adoption.

Development of digital transformation roadmap.

Development of and execution of governance, compliance and enforcement frameworks.

Various cybersecurity projects which include:

Awareness campaigns.

Developing risk assessments and regulatory frameworks.

Establishment of a cybersecurity centre and forensics labs.

Initiatives promoting access and affordability to consumers.

Initiatives and frameworks to attract investment into ICT sector.

While this increase in activity may require an expanded budget, several of these activities have nothing to do with services funded from a regulatory levy. For example, initiatives to improve digital technology adoption or ICT access should be funded by the universal service contribution, not the regulatory levy. Similarly, cybersecurity measures provide benefits broadly across the whole economy, not just telecommunications operators.

<p>In principle, the cost of such an investment should not be recovered solely from the telecommunications operators.</p> <p>CRAN is further required to confirm that the regulatory levy excludes all expenditure not constituting recoverable regulatory costs within the meaning of section 23 of the Act, as interpreted by the Supreme Court. The levy may not be used to fund activities that are developmental, policy-oriented, or of general public benefit, and which are not directly attributable to the regulation of licensees. In particular, the following activities may not lawfully be included in costs recovered through the regulatory levy:</p> <p>donations, sponsorships, or provision of ICT equipment or infrastructure; the establishment, operation, or funding of Computer Incident Response Teams (CIRT) or cybersecurity centres with economy-wide or cross-sectoral application; rule-making, institutional development, or policy frameworks relating to electronic signatures, digital identity, or broader digital governance initiatives; any initiatives properly falling within the scope of universal service, sector development, or national ICT policy, rather than regulatory oversight.</p> <p>To the extent that such activities are included in CRAN's projected expenditure, their recovery through the regulatory levy would exceed the statutory mandate under section 23 and amount to revenue-raising beyond cost recovery, which the Supreme Court has expressly held to be impermissible.</p> <p>It should also be noted that regulators are also not being called on to massively scale up in the telecommunications sector. Therefore, there is little reason for the bulk of CRAN's activities to change significantly from year to year.</p>	
<p>Overall, these additional activities also do not justify the projected 5-year budget doubling in size. Put simply, one needs to consider whether CRAN completing the activities covered in Paragraph 43 in addition to its duties described in Paragraph 44 should justifiably cost CRAN an additional \$N450 million compared to what it cost the regulator in the previous five years. For example, this would mean CRAN's annual budget would be roughly one third the size of ICASA's (around R585 million in 2025), despite the latter regulating an economy and population more than 20-fold greater than Namibia.³³</p>	<p>CRAN has taken note of the consideration and alternative provided. It is, however, important to understand that spectrum fees and regulatory levies are distinct instruments serving different statutory purposes. These two instruments are not interchangeable, hence increasing spectrum fees beyond their cost-reflective and value-reflective basis could be beyond the statutory limits authorised purpose.</p>

<p>Overall, CRAN has not transparently justified these costs. Furthermore, CRAN's estimates are excessive even when considering the new regulatory activities planned by CRAN. These new activities ought not to be paid for by the levy in any case, because they apply to activities such as ICT investment or cybersecurity measures that are outside of the scope of purely regulatory activities.</p>	<p>Notwithstanding the above, CRAN will consider your proposal to lower the levy and increase spectrum fees, and to ensure an appropriate balance among all other fees.</p>
<p>6. Reliance on regulatory levies</p> <p>Putting aside these gross overestimations of cost, it is not best practice that CRAN seeks to fund such a significant proportion of its budget from regulatory levies. Spectrum fees tend to account for a much larger proportion of revenue generation for telecommunications regulators. Considering some of the benchmark examples noted by CRAN, BOCRA collected over half of its total revenue from radio frequency spectrum license fees alone in 2025 (188 million Pula) and only 1.5% of its revenue from regulatory levies ("service licence fees"). Similarly, in the case of Zambia, more than 60% of collections by ZICTA came from radio frequency spectrum license fees in 2021, while around almost 25% came from regulatory levies ("annual operating fees").</p> <p>However, CRAN says it needs over 71% of its budget to arise from levies in the Notice. In fact, CRAN has varied significantly in its claims over how much of the budget ought to be funded from levies.</p> <ul style="list-style-type: none"> • In the 2024 Supreme Court Judgement, CRAN claimed: <i>"CRAN is financially dependent on regulatory levies and fees, with the former typically constituting close to 80 per cent of CRAN's revenue"</i>. • In the Notice, CRAN also claims that <i>"From a cost allocation perspective, regulatory levies should contribute about 60% to CRAN's revenue"</i>. 	
<p>This suggests that CRAN's estimates of its regulatory levy requirements are somewhat speculative, and that it has not properly estimated its costs or what proportion of those costs ought to be recovered by regulatory levies</p>	

7. Scenario modelling

We have modelled what we consider to be conservative estimates of CRAN's costs, and the levy required to cover them. We projected CRAN's expenditure from the most recently published financial statements to the end period for which the proposed levy applies to and adjusted for annual inflation. We took into account operator revenues from annual reports and forecast these going forwards, together with CRAN's forecasts of revenues from numbering, spectrum, and type approval, other (which appears to be interest), and we also consider the revenue generated from broadcasting.³⁹ In respect of expenditure, we consider N\$100 million to be a more realistic estimate of CRAN's projected costs in 2024 (Table 5), as total expenditure was 76m in 2022, rising to N\$100.8m by 2024.

Note that CRAN considers that it has a shortfall over FY 2022 - FY 2026 of N\$182m that it wishes to recover by increasing the regulatory levy. However, CRAN has double-counted the shortfall arising from FY2023, since it used expenditure including bad debt in FY 2023, which was already accounted for in FY 2022. We consider that CRAN's estimated shortfall in FY 2025 and FY 2026 arises from a massive increase in expenditure that we can find no justification for. We thus consider the actual shortfall to be N\$ 56.85m arising from the loss of regulatory levies in FY 2022 due to an adverse legal judgement.

Our scenario estimates below suggest that CRAN could in fact achieve a significant over-recovery by 2031 of over N\$724 million with the proposed 3% levy, which includes the shortfall from the previous period (Table 6).

Based on our more realistic estimates of expenditure, CRAN should set the proposed levy to a maximum of 1% of revenue, with no change to the revenue cap. This would lead to an over-recovery of approximately N\$25 million by the end of the five-year period.

i. Revenue cap

The revenue cap disproportionately burdens MTC, and benefit Paratus and Telecom Namibia, even though these firms are not new entrants (Table 7 below). The introduction of a revenue cap at N\$2 billion, with the effect that operators below that threshold bear a materially lower effective levy, is unsupported by any statutory or rational justification. Regulation under section 23 is directed at the recovery of regulatory costs, not at equalising revenue outcomes between licensees or redistributing financial burdens based on turnover. The Act does not contemplate, and the Supreme Court has not sanctioned, a levy structure that penalises scale as such. In the absence of evidence that operators below the cap impose proportionally

lower regulatory costs, the differential treatment created by the cap is arbitrary, distorts competitive neutrality, and is inconsistent with the principle that regulatory levies must be cost-anchored, predictable, and equitable. The economic analysis confirms that the cap disproportionately burdens MTC while conferring an unjustified advantage on other long-established operators, without any demonstrated nexus to regulatory cost or market entry considerations.

The revenue cap therefore operates not as a cost-recovery mechanism, but as a revenue-smoothing device untethered from regulatory purpose and cannot be reconciled with section 23 as interpreted by the Supreme Court.

This cap results in Telecom Namibia and Paratus bearing a proportionally lower burden than MTC. However, the reasoning for this asymmetry and for including this cap is not clear. Neither firm is a new entrant into the market, with both having operated within it for at least 20 years.

CRAN is requested to indicate whether it contends that the regulation of certain licensees is less costly than others for purposes of the proposed revenue cap. The Communications Act permits regulatory levies solely for the recovery of efficiently incurred regulatory costs from all licensees and does not authorise differentiation based on turnover, profitability, or market position. In the absence of evidence demonstrating materially lower regulatory costs attributable to specific operators, the proposed differential treatment is unlawful, discriminatory, and inconsistent with section 23 of the Act.

Lastly, none of the benchmark countries considered by CRAN impose a revenue cap such as is proposed. Overall, CRAN has not justified the purpose of this cap in the Notice.

CRAN has done its own projections that are justified and approved as per the Act and therefore cannot consider MTC's calculations.

2. The impact on consumers

CRAN's proposal will likely lead to increased prices for consumers. This is because ad-valorem levies typically feed directly through to higher prices for consumers. When firms set prices, they usually consider variable costs. The regulatory levy is a variable cost because it varies according to how much revenue the licensees generate. As a result, prices to consumers are likely to rise as a result of CRAN's approach, because operators will pass on this expense to consumers. CRAN acknowledges this in its paper that forms the basis of its proposed regulatory levy:

<p><i>“If fees are set too high and demand for service is inelastic, licensees are likely to pass the cost on to consumers, resulting in higher prices.”</i></p> <p>This is despite the fact that one of the primary purposes of regulators is to protect consumers. This objective is articulated in the Act as follows:⁴⁴ <i>“to ensure that the costs to customers for telecommunications services are just, reasonable and affordable”;</i></p> <p><i>“to advance and protect the interests of the public in the providing of communications services and the allocation of radio frequencies to the public”.</i> CRAN articulates this consumer mandate on its website.</p> <p>However, the Notice does not discuss the impact on consumers. For example, CRAN does not directly estimate what the impact will be on market prices following the proposed regulatory levy. CRAN mentions consumers when discussing the feasibility of a 3.3% levy to argue that a 3% levy is more reasonable. However, there is no justification as to why 3% is more reasonable because there is no estimate of what the impact of this levy will be on market prices.</p> <p>It should also be noted that the revenue cap applies only to MTC, such that they are the only firm that pays the maximum levy. MTC being by far the largest provider means that the risk of this cost being passed onto the consumer is even more significant, since most consumers likely use MTC’s products.</p> <p>Overall, CRAN fails to consider the impact of the regulatory levy on consumers. In fact, in the list of key considerations it covers in the Notice, it does not mention consumers. Therefore, it has not considered a key required component in its analysis.</p>	<p>CRAN is acutely aware of its regulatory obligation to protect consumers and ensure that the costs of communication services are just, reasonable and affordable. CRAN is currently conducting a Long Run Incremental Cost study that will consider the levies and other regulatory costs imposed on licensees to determine the impact and whether the levy would warrant an increase in tariffs.</p> <p>The concise reasons document indicated both the impact on operators’ costs and revenues. It will not be possible to calculate the impact on consumers due to the different sizes and cost structures of each licensee.</p>
<p>3. Transitional Period</p> <p>An increase from one per cent to three per cent constitutes a material financial and operational change. The rule of law requires that regulated entities be afforded a reasonable opportunity to anticipate their obligations and arrange their affairs. Any amended regulations should therefore take effect no earlier than twelve months after publication.</p>	<p>The proposed levy will take effect on the date of publication in the Government Gazette and on the anniversary of the 5-year period, i.e. 27 June 2026. In recognition of the financial and operational requirements of the licensees, the levy will be prorated in the first year of implementation, and the full levy will be implemented in 2028.</p>

<p>4. Request For Further Information</p> <p>MTC requests disclosure of CRAN’s detailed regulatory cost breakdowns, including the identification and quantification of all costs proposed to be recovered through the regulatory levy.</p> <p>MTC further requests disclosure of the methodology for attributing costs across funding instruments, including regulatory levies, spectrum management fees, numbering fees, type-approval fees, and any other cost-specific charges, in order to assess whether costs are duplicated or otherwise over-recovered.</p> <p>MTC requests a reasoned, evidence-based justification for the proposed three per cent levy rate and the introduction of the revenue cap, including the assumptions and modelling relied upon, particularly given that the Notice was published in the absence of the 2024/2025 audited financial statements and an approved, costed strategic plan for the forthcoming five-year period.</p> <p>In the absence of such information, MTC requests disclosure of evidence demonstrating compliance with section 23 of the Act, including the obligation to avoid, as far as reasonably possible or predictable, the recovery of income in substantial excess of regulatory costs. Without an approved and costed strategic plan and up-to-date financial statements, the consultation process is premature and cannot meaningfully support a lawful amendment of the levy.</p>	<p>CRAN reaffirms its commitment to a transparent and evidence-based regulatory process. The updated Concise Reasons documents will include information pertaining to its budget and Integrated Strategic Plan to allow a more transparent view of the costs for CRAN. Further, once the necessary approvals have been obtained, both these documents will be published.</p>
Telecom Namibia Limited	
<p>Section 23(6) of the Communications Act, 2009, as amended, requires CRAN to conduct a review “before the expiry of five years from the last imposition of the levy or a last review”. While the official start of the five-year cycle starts from the publication date, we are of the view that the constitutionality challenge of the levy until March 2024 prevented CRAN from implementing the imposed levy. Therefore, CRAN should calculate the five-year cycle from the date of implementation (collection) and not the date of imposition (publication).</p> <p>The primary reasons for the proposed increase are a significant N\$181.9 million under-recovery of regulatory costs between 2021 and 2025 due to litigation delays, and the need to fund CRAN’s projected operational costs for the next five years (2026-2031). In the context of section 23 of the Communications Act, 2009, under-recovery refers to the shortfall between the actual regulatory costs incurred by CRAN and the total amount of regulatory levy income it actually received over a specific period.</p>	<p>Telecom Namibia’s contention that the review is premature is a misinterpretation of section 23(6) of the Communication, 2009(Act No. 8 of 200). Section 23(6) of the Act provides that:</p> <p><i>“The Authority must, before the expiry of five years from the last imposition of the levy or a last review under this section, review the regulatory levy to ensure that the levy is compliant with the requirements of this section and that there are no continued under- or over-recoveries.”</i></p> <p>This provision sets a maximum interval within which a review must occur. The regulatory levy was imposed under the Regulations Prescribing Licence fees and Regulatory Levies under section 129: Communications Act, 2009 published under General Notice No. 238 of 22 June 2021, <i>Gazette</i> No 7559. This date constitutes the last imposition of levy consistent with section 23(6) of the Act.</p>

<p>Under-recovery occurs if CRAN collects less regulatory levy income than needed to cover its regulatory costs. The Notice only specify the reason for the under-recovery and fails to indicate the actual regulatory activities that were not covered between 2021 and 2025. This is crucial in determining the amount of N\$181.9 million, and the funding needed to cover those activities from 2026 to 2031.</p>	<p>A central premise of Telecom’s comments is that the regulatory levy only became effective upon the supreme court’s ruling in March 2024. CRAN submits that this reading of the legal position of the law is not consistent with both the Supreme Court’s decision nor with the principles of constitutional law that a legislative provision does not cease to be valid merely because it is subject to a legal challenge. Section 23 of the Act retained its full legal force and effect from the date of its commencement as there was no court order declaring otherwise.</p> <p>To argue otherwise would be to impermissibly allow parties to treat a law as inoperative which is irreconcilable with the rule of law, the presumption of constitutionality and the separation of powers as enshrined in the Namibian Constitution.</p> <p>The present review is therefore being undertaken within the prescribed five-year period.</p> <p>Furthermore, section 23(5)(b) stipulates that the Authority:</p> <p><i>“must, in order to maintain reasonable predictability and stability, avoid, unless there is good reason to do so, an increase in the regulatory levy or the introduction of a new regulatory levy in any period of 12 consecutive months.”</i></p> <p>Accordingly, this review is both timely and necessary to ensure that the levy remains compliant with statutory requirements, including the avoidance of continued under- or over-recovery hence the proposed amendment is consistent with both the latter and purpose of the Act. The under-recovery of N\$ 182 million as documented in the Concise Reason Document was a result of the following:</p> <ol style="list-style-type: none"> 1. The litigation of the previous period as indicated in the Concise Reasons paper; 2. The effect of settlement agreements with some licensees resulting in under-recovery; and 3. The shortfall resulting from the reduction of the initial proposed levy proposed levy from 1.5% to 1% due to licensees’ appeal that then proposed 1.5% levy would be too high. .
<p>It is assumed that CRAN used its integrated strategic business plan and annual business and financial plans, including operating and capital budgets, to project its required income (regulatory costs). These documents are not available. Our foundational administrative law, particularly under Article 18 of the Constitution, requires CRAN to act fairly and reasonably, which includes ensuring a fair procedure and transparency. These principles implies that sufficient, relevant information must be disclosed so that the public and affected parties can make informed objections.</p>	<p>To the extent Telecom’s concern is that the cost basis has not been sufficiently articulated, CRAN commits to providing, through the rule-making process, a clear account of the regulatory costs underpinning the proposed levy, cross-referenced to its strategic and financial planning instruments as required by section 23(5)(a)(i). CRAN notes, however, that the absence of a published five-year strategic plan at the time of consultation does not, in itself, render the levy unlawful.</p>

<p>Telecom Namibia respectfully request for CRAN’s Integrated Annual Report for the year ending 2025 and Strategic Plan from 2025 (including a costed Business Plan). These documents will enable meaningful engagement of the proposed changes.</p> <p>The comparator countries have different funding models. As per section 23 of the Communications Act, 2009, our model is primarily and solely based on the principle of cost recovery and avoiding excess income. The benchmark conducted by CRAN focus heavily on what percentage is charged in other regional countries without considering how the percentage is set and what regulatory mandate is covered only by the regulatory levy. The Communications Act, 2009, permits CRAN to charge a levy to “defray its regulatory costs”. These are costs directly related to the administration of the Communications Act, 2009.</p> <p>The Communications Act, 2009, as amended, mandates that when determining the amount of the regulatory levy, CRAN must consider income derived from other sources, such as spectrum management fees, numbering fees, type approval fees, and other fees, levies, or charges that operators are required to pay under the Communications Act, 2009. The other income sources are then deducted from the total regulatory costs to determine the proportion of income that needs to be funded specifically by the regulatory levy. The proposed 3% levy is intended to cover 71% of the total required budget, with the remaining 29% coming from these other fees and sources. It is presumed that 71% of the budget is required for other activities excluding activities and costs related to spectrum, numbering and type approval. We respectfully request CRAN to provide a costed breakdown of these activities.</p>	<p>The statutory obligation is to take the plan into consideration in the determination process, not to publish it as a precondition to levy-setting. CRAN has complied with this internal obligation and will make the relevant cost projections available to stakeholders to the extent consistent with its institutional responsibilities.</p> <p>The Act allows CRAN to recover all costs related to its activities as per section 1(a) in the definition of “regulatory costs”. The regulatory costs of the Authority are set out in the document and also how the calculations were done. CRAN will update the document with the strategic costs and operational costs as indicated in 3.</p> <p>CRAN provided a breakdown of other revenues that will defray the costs in Table 16 of the Concise Reasons document. At the same time CRAN will soon start to determine the fees for Type Approval, Numbering and Spectrum to allow for new technologies and changes in the sector.</p>
<p>The reason the original section 23 of the Communications Act, 2009, was declared unconstitutional by the Supreme Court in 2018 was that it lacked sufficient limits and guidelines on CRAN’s power to set the levy. The subsequent amendments introduced specific criteria and principles (transparency, fairness, cost recovery, etc.) to circumscribe CRAN’s discretion and ensure the levy is not an unconstitutional “tax”. Correctly, the proposed amendment clarifies that the “turnover” on which the levy is calculated is limited to revenue generated from “services or business which may be regulated under the Act”. Therefore, any activity funded by the levy must fall under CRAN’s statutory authority and mandate within the Communications Act, 2009.</p>	<p>The Act allows CRAN to recover all costs related to its activities as per section 1(a) in the definition of “regulatory costs”. The regulatory costs of the Authority are set out in the document and also how the calculations were done. CRAN will update the document with the strategic costs and operational costs as indicated in 3.</p>

The cost of activities not mandated by the Communications Act, 2009, such as electronic transactions, cybersecurity, digital inclusion, and social responsibilities, cannot be defrayed from regulatory reviews. The Supreme Court sustained the amended section 23 of the Communications Act, 2009, as it was found to balance CRAN's requirement for sufficient funding while protecting operators from unreasonable expenses. As part of our tariff re-balancing initiative and investment strategy, Telecom Namibia significantly reduced its prices across mobile, fixed broadband, and international calling services. For example, existing fixed broadband packages are seeing price cuts of up to 56%. This proactive price reduction aims to improve service affordability and align with national digital economy goals. We respectfully submit that the Notice does not balance regulatory needs with consumer protection and national digital economy goals. The proposed increase in regulatory levies will lead to lower profit margins and price increases to the end-consumer. The Communications Act, 2009, requires CRAN to assess and mitigate any "unreasonable negative impact" on business sustainability, which inherently includes the impact on consumers via price changes.

Telecom Namibia's primary mandate, established under the Posts and Telecommunications Companies Establishment Act 1992 (as amended), is to provide public telecommunications and associated services throughout Namibia. This mandate absorbed the telecommunications public service functions of the Department of Posts and Telecommunication as then existing in the Ministry of Works, Transport and Communications.

Act as the national operator for the provision of electronic communication and associated products.

- Improve corporate profit and shareholder value while ensuring an efficient national telecommunications system.
- Maintain and develop the national infrastructure based on commercialised, competitive standards.

This national mandate has defined Telecom Namibia's broader strategic focus as reflected in its corporate profiles:

- Building and maintaining a 100% digital, nationwide network of over 13,000 kilometres of fibre backbone.
- Expanding broadband and mobile services (3G, 4G, and 4.SG) to remote villages,

CRAN provided a breakdown of other revenues that will defray the costs in Table 16 of the Concise Reasons document. At the same time CRAN will soon start to determine the fees for Type Approval, Numbering and Spectrum to allow for new technologies and changes in the sector.

The levy only considered the costs directly related to regulating the ICT sector and excludes the costs for USF, Nam-CSIRT and PKI.

CRAN did consider the impact on the sector as required. This section will be improved in the updated Concise Reasons document. CRAN is also conducting a Long-run Incremental Cost Study (LRIC) that will consider the impact of the proposed levy on tariffs especially for mobile services.

CRAN takes note of the proposal relating to the infrastructure.

The levy will be implemented from date of publication in the Government *Gazette*. However, the first year will be pro-rated and therefore the full levy will only be payable in 2028 on the 2026/2027 AFS.

<ul style="list-style-type: none"> · schools, and clinics to support socio-economic development. · Serving as a regional internet hub through investments in subsea cable systems like WACS, SAT-3, and Google’s Equiano cable. · Delivering a comprehensive portfolio of services including fixed-line voice, data, · maritime services, and managed hosting solutions. <p>This special national mandate of Telecom Namibia is formalised by section 45 of the Communications Act, 2009. Therefore, we respectfully submit that CRAN consider the special national obligations of Telecom Namibia, and associated expenditure, when setting the regulatory levy for an Individual Telecommunications service License category. Further, the Notice should indicate when the proposed increase will be implemented. Operators must be afforded a reasonable opportunity to manage their financial obligations regarding the new levy.</p>	
Paratus Telecommunications (Pty) Ltd	
<p>1. Definition of “turnover” and levy base</p> <p>The Act defines “turnover” as “gross revenue or income derived from services or business which may be regulated by or under this Act.”</p> <p>Paratus requests that CRAN prescribes, as contemplated in section 23(2)(d), the inclusions and exclusions applicable to “turnover” for levy purposes. This should include clear treatment of bundled offerings, ancillary or incidental revenues, and pass-through items, to support consistent application across licence categories and to reduce assessment disputes.</p>	<p>As per section 1(b) of the Act turnover is defined as “<i>gross revenue or income derived from services or business which may be regulated under the Act.</i>”</p> <p>Further section 22(2)(e) states “<i>any revenue received for services provided in the course of its activities</i>”.</p> <p>In terms of section 1(b) “<i>Telecommunications Services means services whose provision consists wholly or partly in the transmission or routing of information on telecommunications networks by means of telecommunications processes but does not include broadcast services.</i>”</p> <p>This means that only revenue derived from providing telecommunication services is levied and all other revenue derived from any devices, routers, installation fees, etc must be excluded and clearly stated as such by the auditors of the company.</p>

<p>2. Proposed rates, minimum levy and threshold approach</p> <p>Paratus notes that the proposed amendments materially change the levy framework by:</p> <ol style="list-style-type: none"> increasing the minimum levy from N\$500 to N\$25,000 (an increase by 4,900%); increasing the maximum levy rate (as a percentage of turnover) from 1% to 3%; and introducing a turnover-based mechanism that appears to transition to a straight percentage rate at higher turnover levels (including the “cap-threshold” reflected as N\$2 billion in the proposed Regulation 3, Annexure B). <p>Section 23 requires predictability, fairness, equitability, transparency and accountability in determining and imposing the levy, and requires CRAN to assess sustainability impact and mitigate unreasonable negative impacts where practicable.</p> <p>On the information disclosed, Paratus is unable to assess the basis for (i) the minimum levy increase to N\$25,000, (ii) the increase in the maximum levy rate to 3% of turnover, and (iii) why the proposed threshold is appropriate for Namibia’s market conditions and the affected licence classes.</p> <p>Paratus accordingly requests that CRAN publishes:</p> <ol style="list-style-type: none"> clear worked examples across representative licence categories and turnover bands; and the assumptions and cost drivers relied upon to support the proposed minimum levy, maximum rate and threshold (including what regulatory costs the levy is intended to recover). 	<p>The minimum levy under the current levy regime is N\$ 500. This levy was prescribed to allow small licensees and new entrant to pay a minimum to allow all licensees to contribute towards the levy and therefore covering the regulatory cost of CRAN. A number of licensees are commercial profit-making entities but are not equitably contributing towards the levy. The minimum levy payable for telecommunication licensees was therefore increased to N\$ 25,000.</p> <p>The levy formula is as follows:</p> <p style="text-align: center;">MAX(25000,MIN(3%, 0.00000000015*Revenue)* Revenue)</p> <p>Broken down it means that the minimum levy payable is N\$ 25,000 . The maximum levy payable is a percentage on a gliding scale of the regulatory revenue. According to the AFS 2025, as submitted to CRAN, the regulated revenue was N\$ 523,106,917. The percentage payable is therefore 0.007847 of revenue. The total levy will therefore be N\$ 4,104,613.</p>
<p>3. Comparative benchmarking and other jurisdictions</p> <p>Paratus notes that the report identifies the jurisdictions considered for benchmarking, together with the levy bases and the relevant licence categories used for comparison.</p> <p>The report does not explain whether, and how, the benchmarking was adjusted for differences in market conditions between Namibia and the comparator jurisdictions. Without such adjustment, the benchmarking may result in a levy outcome that places a disproportionately heavy cost burden on operators in Namibia, with downstream pressure on end-user pricing and affordability.</p>	<p>CRAN uses activity-based costing to determine the revenue required from each revenue stream as prescribed by the Act. This is not done in other jurisdictions and therefore it cannot be compared. Most other regulators use licence fees and spectrum fees to ensure sufficient revenue to recover the cost. CRAN will add a section to compare BOCRA (Botswana Communications Regulatory Authority) with that of Namibia in the updated reasons document.</p>

<p>Paratus accordingly requests that CRAN discloses the normalisation factors and assumptions applied in the benchmarking exercise, including how CRAN accounted for Namibia's addressable market size, population density and geographic coverage requirements, and the number and type of licensees.</p> <p>Paratus further requests that CRAN clarifies how the benchmarking accounted for differences in what the levy funds in each jurisdiction, including whether comparator regulators have broader mandates and/or other funding sources beyond levies, as this affects whether the comparison is truly like-for-like.</p> <p>Absent of the above, Paratus is unable to determine the weight that should reasonably be placed on benchmarking in motivating the proposed minimum levy, maximum levy rate and threshold.</p>	
<p>4. Judicial context and section 23 safeguards</p> <p>Paratus notes the Supreme Court's decision in <i>Communications Regulatory Authority of Namibia v Mobile Telecommunications Limited</i>¹, which confirmed the constitutionality of the amended section 23 on the basis that the levy framework is subject to structured safeguards, including objective criteria, transparent procedures and review mechanisms, and that levies must be linked to regulatory costs.</p> <p>In that context, Paratus requests that CRAN sets out how the proposed amendments give effect to section 23 in practice, including:</p> <p>1.1. the regulatory cost categories intended to be recovered (and confirmation that costs unrelated to CRAN's mandate are excluded);</p>	<p>Kindly refer to the explanations in section 1 and 2 above. The under-recovery methodology is clearly set out in section 6 of the Concise Reasons document</p>
<p>1.2. the methodology used to translate costs into the proposed minimum levy, maximum rate and threshold; and</p> <p>1.3. how CRAN intends to apply the reconciliation framework in section 23(7)-(8) to address under- or over-recovery.</p>	
<p>5. Sustainability impact and mitigation</p> <p>Section 23(4)(a) requires CRAN to assess the impact of the levy on the sustainability of providers and, where the levy has an unreasonable negative impact, to mitigate that impact insofar as practicable.</p> <p>Paratus requests that CRAN provides the sustainability impact assessment relied upon for the proposed increases, together with the mitigation options considered (including phased implementation, transitional relief or other calibration measures).</p>	<p>CRAN takes note of your comments and will update the sustainability impact in the Concise Reasons document as explained during the meeting.</p>

<p>6. Impact assessment across licensees</p> <p>Paratus notes CRAN's reference to the projected impact of the proposed 3% levy on licensees. Paratus is concerned that the impact analysis, as presented, appears to be conducted at a high level and may not reflect differentiated realities across licence categories and business models, including service mix, competitive pricing constraints, rollout obligations and investment cycles.</p> <p>Paratus accordingly requests that CRAN refines and/or supplements the impact assessment to demonstrate, with clarity, how the proposed approach satisfies section 23's requirements on sustainability, fairness and predictability across different provider profiles.</p>	<p>As indicated in no. 5 above the Concise Reasons document will be updated to provide a clearer picture of the impact.</p>
<p>7. Consumer affordability and investment outcomes</p> <p>Section 23(3)(c) requires that the levy promotes the objects of the Act in section 2, including access to services at just, reasonable and affordable prices, ensuring that customer costs are just, reasonable and affordable, and encouraging private investment, innovation and deployment of advanced facilities and services.</p> <p>Paratus is concerned that the proposed increases may have downstream effects on (i) end-user affordability and pricing, (ii) the economics of network rollout and upgrade programmes (particularly in lower-density regions), and (iii) ongoing investment and innovation in advanced services.</p> <p>Paratus requests that CRAN discloses how these consumer and investment outcomes were assessed and what measures were considered to minimise adverse customer impact while still meeting legitimate regulatory cost recovery objectives.</p>	<p>CRAN started the Long-run Incremental Cost study to determine the prices for especially mobile services. The amended levy will be taken into consideration during this exercise to ensure cost recovery. At the same time CRAN will also start with reviewing the spectrum fees, numbering fees and type approval fees to ensure that new technologies and changes in the sector are considered.</p>
<p>8. Meaningful consultation and disclosure</p> <p>The proposed amendments represent a material change to the levy framework. Meaningful consultation depends on stakeholders having sufficient information to evaluate the proposal and provide informed representations.</p> <p>Paratus accordingly requests that CRAN provides the clarifications and disclosures set out above and considers stakeholder input before finalising the amendments.</p>	<p>As part of the process CRAN consulted with all licensees that provided comments. An updated Concise Reasons document will be published for another round of comments before the levy will be finalised.</p>

MultiChoice Namibia	
<p>The Act requires that the regulatory levy be imposed in a manner that ensures “<i>predictability, fairness, equitability, transparency and accountability</i>”.⁵ We submit that the Authority’s proposed levy increase falls short of these standards due to insufficient explanation of the substantial increase in its projected budget:</p> <p>1.1 The Authority proposes a significantly increased and unexplained budget requirement in the 2027/2028 financial year. In Table 15 of its Reasons Paper, the Authority notes that there is projected to be a near 20% increase in its regulatory costs from 2026/2027 to 2027/2028. There is no explanation in the Reasons Paper for the projected increase in operational and capital expenditure. Whilst there is reference to an Integrated Strategic Business Plan 2026/2030, such business plan has not, at the time of making</p> <p>This submission, been made publicly available, and the Authority has not provided licensees with meaningful detail regarding what specific activities, initiatives, or investments necessitate such a substantial increase in expenditure.</p> <p>1.2 The projected increase in regulatory costs from 2026/2027 to 2027/2028 is significantly higher than the projected increase for any other year during the 2026 and 2031 period dealt with in the Reasons Paper. There is also an 8% decrease in the budget required for 2028/2029 as compared to 2027/2028. There is no explanation for these fluctuations, and accordingly, an assessment as to their reasonableness cannot be assumed.</p> <p>1.3 The Authority has also not provided any indications of where it has attempted to cut costs in order to avoid significant increases in the regulatory levy imposed on licensees. It is important that the Authority operates as efficiently as possible and looks to reduce extra costs.</p> <p>In the absence of such transparency, MultiChoice Namibia is unable to make informed submissions on whether the proposed levy is proportionate. We respectfully request that CRAN publish detailed breakdowns of its projected operational and capital expenditure, together with the strategic objectives that these expenditures are intended to achieve, before finalising any increase to the regulatory levy.</p>	<p>CRAN notes MultiChoice Namibia’s concern regarding the adequacy of the rationale provided for the proposed increase of the regulatory levy from 1% to 3% of annual turnover, particularly with respect to the N\$182 million under-recovery recorded between 2021 and 2025, and the projected regulatory costs of N\$805 million for the period 2026 to 2031.</p> <p>In response, the Authority wishes to clarify that the under-recovery of regulatory levies during the 2021 to 2025 period is attributable three reasons:</p> <ol style="list-style-type: none"> 1. The protracted litigation of the previous period as indicated in the Concise Reasons paper that constrained the Authority’s ability to collect levies until the Supreme Court ruled in the Authority’s favour, confirming its entitlement to collect levies notwithstanding disputes regarding invoices issued from 2021’ 2. Settlement agreements concluded with some licensees during the period resulting in under-recovery; and 3. The initial levy proposed in 2021 was 1.5%. Following representations by licensees that even a 1% levy would be excessive, the levy was reduced to 1%. This downward adjustment, made in the interests of the sector, contributed directly to the under-recovery experienced by the Authority. <p>CRAN developed a new Strategic Plan that was conditionally approved by the Minister of Information and Communication Technology. The Plan was approved on condition that the newly appointed Board of CRAN (to be appointed by April 2026), also provide their approval on the plan. At the same time the AFS 2025 was submitted to the Minister and need to be tabled before Parliament before it can be published. We are following up with her office to have this issue resolved as soon as possible.</p> <p>The Concise Reasons document will be updated with the costing of the conditionally approved strategic plan for purposes of transparency and clarity.</p> <p>The increase in projected costs from 2026/2027 to 2027/2028 was planned as such. The increased levy will be pro-rated in the first year and the full revised levy will only be collected in 2028. This also provides the licensees with an opportunity to budget for the revised levy.</p>

<p>1. The proposed increase undermines predictability and stability</p> <p>s23(4)(b) read with s23(5)(b) of the Act requires the Authority, when determining the regulatory levy, to “<i>maintain reasonable predictability and stability</i>”. The proposed increase from 1% to 3% represents a 200% increase in the levy rate and fundamentally undermines the predictability and stability that the legislature intended licensees to enjoy.</p> <p>Licensees have structured their business operations and financial planning around a 1% levy; a threefold increase <i>imposed in a single adjustment</i> will cause significant disruption to those plans.</p> <p>The Reasons Paper does not identify any exceptional circumstances or urgent regulatory imperatives that would constitute sound reasoning for an increase of this magnitude. If an increase is ultimately warranted, MultiChoice Namibia respectfully submits that the principles of predictability and stability would be better served by a phased increase over multiple periods, rather than a single adjustment that triples the financial burden on licensees in one go.</p>	<p>The Authority acknowledges the concern that a single adjustment from 1% to 3% may undermine the statutory requirements of predictability and stability under sections 23(4)(b) and 23(5)(b) of the Act. CRAN takes these principles seriously and has sought to balance them against the legitimate imperative to ensure adequate and sustainable revenue collection to fund its regulatory mandate.</p> <p>CRAN wishes to draw attention to the fact that the regulatory levy framework is subject to mandatory review within each five-year cycle. CRAN’s practice of publishing a five-year projected budget, as set out in the Concise Reasons Paper, is itself a mechanism designed to promote predictability and enable licensees to plan their financial affairs over the medium to long term.</p> <p>Notwithstanding this, CRAN is mindful of the concern that a single, large upward adjustment may cause commercial disruption. In this regard, the Authority has already incorporated a phased implementation mechanism: the revised levy will be applied on a pro-rated basis in the initial year, with the full levy rate becoming operative only in 2028. CRAN will consider whether additional transitional relief or phasing arrangements are warranted and will address this in the finalised Regulations and updated Reasons Paper. The Concise Reasons paper will further be updated to show the cost of the Integrated Strategic Plan to allow licensees to scrutinize the costs of CRAN.</p>
<p>2. The proposed levy undermines the objects of the Act</p> <p>s23(3)(c) of the Act provides that one of the objectives of the regulatory levy is “<i>to promote the objects of this Act set out in section 2</i>”. We submit that the proposed 3% levy would undermine rather than promote several of these statutory objectives.</p> <p>s2(e) of the Act seeks to “<i>encourage local participation in the communications sector in Namibia</i>” and s2(i) seeks to “<i>encourage private investment in the telecommunications sector</i>”. An excessive regulatory levy imposed on licensees’ risks discouraging local participation and may render some local broadcasting or telecommunications operations financially unviable. A threefold increase in the regulatory levy signals an unpredictable and burdensome regulatory environment that may deter prospective investors from entering or expanding within the Namibian market.</p>	<p>CRAN is cognisant of the potential downstream effects that an excessive regulatory levy may have on market participation, investment decisions, and consumer pricing. These considerations form part of the Authority’s regulatory impact assessment and will be further addressed in the updated Concise Reasons Paper. The Authority reaffirms that the determination of the regulatory levy must balance the Authority’s legitimate funding requirements against the broader public interest objectives mandated by the Act.</p>

<p>s2(g) requires that “<i>the costs to customers for telecommunications services are just, reasonable and affordable</i>”. As the Authority’s own Reasons Paper acknowledges, licence fees generally change or influence the behaviour of market participants and an increased levy may result in price increases passed on to consumers, thereby undermining this statutory objective.</p>	
<p>3. The proposed levy is not aligned with regional and international best practice</p> <p>In its Reasons Paper, the Authority considers the regulatory levy imposed in other countries in the Southern African Development Community (“SADC”) as a regional benchmarking analysis. We submit that the Authority’s regional benchmarking analysis highlights that the proposed regulatory levy is inconsistent with other SADC countries in at least two respects:</p> <p>1.1 the applicable levy rates differ according to the type of licensee, a lower regulatory levy being applicable to broadcasting licensees as compared to telecommunications licensees; and</p> <p>1.2 the proposed levy exceeds the levies imposed by neighbouring countries.</p> <p><u>Proposed levy not in line with broadcasting regulatory levy charged in other countries in SADC</u></p> <p>While the Authority has conducted a comparative analysis of regulatory levies in other Southern African jurisdictions, MultiChoice Namibia submits that the proposed 3% levy is inconsistent with the benchmarks presented for broadcasting licensees specifically.</p> <p>Using the benchmarking analysis presented by the Authority in its Reasons Paper,⁹ it is clear that the proposed 3% levy would exceed the broadcasting levies in all of the jurisdictions surveyed by the Authority. This contradicts the principle in section 23(4)(c) of the Act which requires that “<i>the regulatory levy is aligned with regional and international best industry practices</i>”.</p>	<p>CRAN has done extensive benchmarking in the Concise Reasons document. CRAN has taken a decision that each revenue stream should be more or less cost reflective and for this reason activity-based costing is utilised. This resulted in much lower spectrum fees, licence fees and type approval fees than other jurisdictions such as Botswana and Zimbabwe.</p>

Country	Regulatory levy applicable to broadcasting licensees
Botswana	1% of annual net turnover
Tanzania	1% of gross annual turnover
Uganda	2% on gross annual (TV - public service provider licence)
Zambia	2% of annual turnover (satellite subscription broadcasting)
Zimbabwe	2% of gross turnover (subscription satellite broadcasting service)

Potentially differentiate regulatory levy charged to broadcasting and telecommunications licensees

The Authority proposes a 3% regulatory levy regardless of whether a licensee is a telecommunications licensee or a broadcasting licensee.¹⁵

We urge the Authority to reduce the proposed regulatory from 3% to 1.5%, which is more in line with regional best practice. However, should the Authority not wish to reduce the regulatory levy across the communications industry, we submit that the Authority should consider differentiating levies according to the type of licence holder in order to recognise the different cost drivers that arise as a result of sector specific regulatory activities. In this regard we submit that licence fees for broadcasters should be reduced to 1.5%.

This type of regulatory cost based differentiation is supported by regional best practice, as indicated in the Authority's benchmarking analysis.

The Authority's benchmarking of regulatory levies payable in Botswana, Zambia, Zimbabwe, South Africa, and Uganda indicated that levies payable are differentiated between broadcasting and telecommunications licensees.¹⁶

The differentiation between sectors according to regulatory activity is justified by the fact that telecommunications and broadcasting services differ in terms of their cost structure, subscriber behaviour and scope of regulation. In respect of cost structure, broadcasters' costs are largely variable due to the high proportion of costs arising from content acquisition. Unlike telecommunications assets that usually have a useful life of several decades, content is acquired on an ongoing basis through competitive bidding processes. For most subscription broadcasters, production and programming content constitutes up to 80 per cent of total costs. This means that, as turnover increases for both telecommunications and broadcasting operators, a greater portion of the broadcaster's incremental revenue is directed towards covering increases in variable costs.

<p>Accordingly, the incremental profit (arising from the turnover increase) is lower for broadcasters, meaning that they have less ability to meet any increase in regulatory levies. In terms of subscriber behaviour, the subscriber base of subscription broadcasters is much lower than that of telecommunications operators. The reason for this outcome is that subscription broadcasting is largely seen as a discretionary service, whereas fixed and mobile telephony is seen more as a necessity. With regards to regulatory scope, broadcasting does not require the same level of regulatory scrutiny as telecommunications and accordingly, broadcasting licence fees should be significantly lower than the fees levied on telecommunications operators. We believe that the Authority's progressive licence fee formula ensures that the levy is justifiable and proportionate by linking the Authority's regulatory activities with the cost of regulation of that sector.</p>	
<p>However, an exorbitant levy will force commercial broadcasters to redirect substantial financial resources that could be used towards the improvement of their services by commissioning new and attractive programming content, reducing subscription fees, skills development and training, and the development of new technologies. <u>The Authority's own analysis supports a lower broadcasting levy</u></p> <p>The Authority acknowledges that Botswana applies a 3% levy to telecommunications but only 1% to broadcasting. Similarly, Zimbabwe applies a regulatory levy of 3.5% to telecommunications but only 1% to 2% to broadcasters.</p> <p>We submit that this regional consensus, that broadcasting should attract a lower levy than telecommunications, should inform the Authority's approach. A 3% levy on broadcasting licensees is out of line with regional norms and cannot be justified by reference to the Authority's stated objective of alignment with best practices. We submit that a 1.5% levy on broadcasting licensees would be more reasonable.</p> <p><u>The Act expressly authorises differentiated levies</u></p> <p>Importantly, the imposition of differentiated levy rates for broadcasting and telecommunications licensees is expressly contemplated and authorised by the Act. s23(2)(a) provides that when imposing the levy, the Authority "<i>may... impose different percentages or different fixed amounts depending on... (ii) the category of communications services rendered by the provider; [or] (iii) the class of licence issued to the provider</i>". s23(2)(c) similarly empowers the Authority to "<i>impose different forms of the regulatory levy... depending on... the category of communications services rendered by the provider</i>" or "<i>the class or type of licence issued to the provider</i>".</p>	<p>CRAN takes note of your proposal and reasons provided to make a differentiation between broadcasting and telecommunications as is done in other countries and we will take this under consideration.</p>

<p>It was anticipated that different categories of licensees would attract different levies, and accordingly, the Act grants the Authority the discretion to give effect to this differentiation. In proposing to apply a uniform 3% levy across all licence categories, the Authority has elected not to exercise this statutory discretion. We submit that this election does not achieve a fair allocation of costs as mandated by s23, that reflects the actual regulatory costs attributable to the broadcasting sector.</p>	
<p>Echo Telecommunications Namibia (Pty) Ltd</p>	
<p>We would please request for a public hearing regarding this to understand more about the background concerning the calculations, why it is done every 5 years and not annually on a fixed rate, ie. 2.5% so it can be properly budgeted for by ourselves. Increasing fees by as much as 25% at once, at any single given moment does not make sense and once again it does not seem CRAN is supporting us as impactul growing ISP within Namibia.</p>	<p>A public hearing will be held on the new publication of the proposed levy.</p>