



# Regulatory Levies – All you need to know

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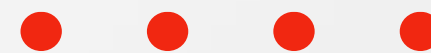


# Regulatory Levies – Legal Framework

- ❖ Section 23 of the Act states that *“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.”*
- ❖ The regulatory levy is used to finance the day-to-day operations to cover the costs of regulation, supervision and enforcement.
- ❖ The Levy Regulations as published in GG 7559 describes the methodology used, how it should be reported and the percentage to be paid.



**TURNOVER ONLY  
REFERS TO REVENUE  
DERIVED FROM  
SERVICES OR  
BUSINESS REGULATED  
UNDER THE ACT.**



# THE LEVY REGULATIONS: TELCOs

- ❖ The Regulatory Levy is based on the licensee's turnover.
- ❖ The levy is only payable on regulated services.
- ❖ This **regulated services** includes the following:
  - ❖ Telecommunication services such as voice, SMS, and data (wholesale and retail);
  - ❖ Interconnection fees;
  - ❖ Infrastructure sharing fees;
  - ❖ Open access revenue;
  - ❖ Numbering revenue
  - ❖ Any other revenue received in terms of the licence issued.
- ❖ Revenue excluded includes:
  - ❖ Phones;
  - ❖ Routers, installation fees;
  - ❖ All services not regulated e.g. rack space, webpages, etc.

# THE LEVY REGULATIONS:BC

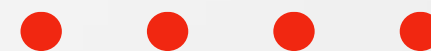
- ❖ The Regulatory Levy is based on the licensee's turnover.
- ❖ The levy is only payable on regulated services.
- ❖ This includes the following:
  - ❖ Broadcasting advertisement;
  - ❖ Outside broadcasting;
  - ❖ Infrastructure sharing
- ❖ Revenue excluded includes:
  - ❖ Donations

# THE LEVY REGULATIONS: POSTAL

- ❖ The Regulatory Levy is based on the licensee's turnover.
- ❖ The levy is only payable on regulated services.
- ❖ This includes the following:
  - ❖ Postal services
  - ❖ Interconnection fees
- ❖ Revenue excluded includes:
  - ❖ Banking;
  - ❖ Courier;
  - ❖ Any other services offered



# How should the revenue be reported on?





## REVENUE REPORTING

- ❖ Audited Financial Statements must be submitted within 6 months after year-end.
- ❖ Licensees that do not need to have AFS must have at least submit an Income Statement signed of by the licensee's accounting officer.







# REVENUE REPORTING

- ❖ When a licensee's turnover is not accounted for separately and the licensee provides other products and services the following must be done:
  - ❖ The licensee's regulated turnover must be indicated;
  - ❖ The methodology on how it was determined must be provided;
  - ❖ Such information must be provided as a sworn statement by the company's auditors or if the financial statement do not need to be audited by the accounting officer.
- ❖ This is however not required if such provision is made within the AFS.



# WHY A SWORN STATEMENT

- ❖ The signing of a sworn statement means that the Auditor's take on the legal responsibility for their findings as the statement asserts that the auditors have conducted such audit in compliance with the relevant standards and are a true and fair view.
- ❖ A factual report is a mere expression of the work and does not hold the same legal accountability nor formal assurance regarding the accuracy as a sworn statement.

**Regulatory Levies – all you need to  
know.**

# Q & A

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**THANK YOU**