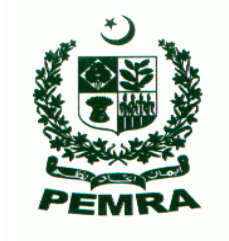


Pakistan Electronic **Media** Regulatory Authority



GUIDELINES

TO

ESTABLISH AND OPERATE

CABLE TV NETWORKS

AT DISTRICT LEVEL

1. **Introduction:**

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

2. **Functions of the Authority:**

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

3. **Initiatives:**

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

4. **Objectives:**

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

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

5. **Definitions:**

Unless the context otherwise requires words and phrases used but not defined in these guidelines shall have the meaning respectively assigned to them in the PEMRA Ordinance 2002, and Rules and Regulations made there under:

- (a) "advertisement" means a set of visual and audio messages for the projection of a product, service, or idea with the object of propagating sale, purchase or hire of the product, service or idea for creating other related effects;
- (b) "Authority" means the Pakistan Electronic Media Regulatory Authority (PEMRA) established under section 3 of the PEMRA Ordinance;
- (c) "broadcast media" means such media which originate and propagate broadcast and prerecorded signals by terrestrial means or through satellite for radio or television and includes teleporting, provision of access to broadcast signals by channel providers and such other forms of broadcast media as the Authority may, with the approval of the Federal Government, by notification in the official Gazette, specify;
- (ca) "broadcast station" means physical, technical and software infrastructure for the operation of radio or television and also includes satellite uplinking from ground, repeaters and all such other accessories;
- (d) "broadcaster" means a person engaged in broadcast media except broadcast journalists not actively involved in the operation, ownership, management or control of the broadcast media;
- (da) "cable TV" means reception of broadcast and pre-recorded signals from different channels and their distribution to subscribers through a set of closed transmission paths;
- (e) "Chairman" means the Chairman of the Authority;
- (ea) "Chairperson" means the head of a Council of Complaint;
- (f) "channel" means the set of frequencies that a broadcast station occupies for broadcasting;
- (fa) "channel provider" means a vendor who represents local or foreign channels and provides access of their signal to a distribution service;
- (g) "company" means a company as defined in the Companies Ordinance 1984 (XLVII of 1984);
- (h) "copyright" means copyright as defined in the Copyright Ordinance 1962 (XXXIV of 1962);
- (ha) "Distribution Service" means a service which receives broadcast and pre-recorded signals from different channels and distributes them to subscribers through cable, wireless or satellite options and includes Cable TV, LMDS, MMDS, DTH and such other similar technologies;

- (hb) "DTH" means Direct to Home distribution of audiovisual signals received via satellite to small dish antennas across the foot-print of the satellite to subscribers;
- (hc) "electronic media" includes the broadcast media and distribution services;
- (i) "foreign company" means a company or body corporate organized, and registered under the laws of a foreign government;
- (j) "frequency" means the frequency of the electromagnetic wave number measured in Hertz per second and used for transmission;
- (k) "FAB" means the Frequency Allocation Board established under section 42 of the Pakistan Telecommunication (Reorganization) Act, 1996 (XVII of 1996);
- (ka) "illegal operation" means the broadcast or transmission or distribution of, or provision of access to, programmes or advertisements in the form of channels without having a valid licence from the Authority;
- (kb) "LMDS" means local multipoint distribution service to transmit audio-visual signals through wireless devices, on a higher frequency range for the provision of cable television service;
- (l) "media enterprise" means an enterprise concerned with the publication of a printed newspaper or a broadcast media or distribution service;
- (la) "MMDS" means multi-channel multi-point distribution service to transmit audio-visual signals through wireless devices, to multiple subscribers, after receiving such signals from other channels of communication;
- (m) "licence" means a licence issued by the Authority to establish and operate a broadcast media or distribution service;
- (n) "licensee" means a person to whom the Authority has issued a licence;
- (na) "newspaper" means a newspaper as defined by the Press, Newspapers, News Agencies and Books Registration Ordinance, 2002 (XCVIII of 2002);
- (o) "member" means a member of the Authority;
- (p) "national broadcaster" means the Pakistan Broadcasting Corporation, the Pakistan Television Corporation and the Shalimar Recording and Broadcasting Company;

- (q) "PTA" means the Pakistan Telecommunication Authority established under the Pakistan Telecommunication (Reorganization) Act, 1996 (XVII of 1996);
- (r) "person" includes an individual, partnership, association, company, trust or corporation;
- (s) "prescribed" means prescribed by the rules or regulations¹⁹ made by the Authority;
- (t) "programme" means the systematic broadcasting of visual or sound images by a broadcast station but does not include an advertisement;
- (ta) "regulations" means the regulations made under this Ordinance;
- (u) "rules" means the rules made under this Ordinance;
- (v) "Teleport" means a facility with installed equipment used or required in the process of uplinking or downlinking of audio-visual programmes and signals between an earth station and a satellite; and
- (w) "uplinking" means transmission of audio-video signal from ground transmission facility to a satellite, in order to transmit any programme within or outside Pakistan.

6. Scope of Licence:

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

7. Eligibility Criteria for Companies:

- a. A company, registered with Security Exchange Commission of Pakistan (SECP) under the Companies Ordinance 1984, may apply for participation in the open bidding;
- b. company should have a minimum paid-up capital of Rs. 3.0 million;
- c. company should not be a recipient of funds from a foreign government or organization;

- d. majority shareholding and management control of the Company should be vested with the residents and nationals of Pakistan;
- e. company or its directors should not be owning, operating or controlling any broadcast media/landing rights permission as sole or joint shareholder;
- f. company should be registered with the tax authorities for income tax, sales tax etc.;
- g. company should have the technical experience and capability to establish & operate a Cable TV network, efficiently; and
- h. company or its directors should not be a defaulter of the Government of Pakistan or any of its organizations including PEMRA.

8. General Conditions:

- a. In the first phase two licences shall be offered in each advertised district. However, the Authority reserves the right to issue as many licences as it deems appropriate.
- b. Initially, the network may be of Technology Neutral. However, installation of digital networks shall be encouraged by the Authority.
- c. The licensee shall strictly follow the time frame for digitalization, prescribed by the Authority, as detailed below:

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

- d. The successful applicant shall be required to bring its cable television service into operation within six months of issuance of the licence, failing which its licence shall be deemed to have been cancelled.

- e. Grant of licence shall be subject to fulfillment of legal requirements including clearance from security /law enforcing agencies and approval of the Authority.
- f. The licence shall be non exclusive and non transferable.
- g. Provision of additional Head-Ends may be allowed on payment of prescribed fee as determined by the Authority.
- h. The licensee shall be liable to pay the following fee which may be revised by the Authority from time to time:

1.	Licence Fee	As determined in the bidding
2.	Annual Renewal Fee	50% of the licence fee
3.	Annual Subscribers Fee	@ Rs.12/- per subscriber
- i. The licensee may have the option to award franchises within its area of operations, subject to the submission of contracts to the Authority, executed with the franchises.
- j. The Authority may grant permission for running of In-House channels (CDs) in accordance with PEMRA Rules 2009, subject to fulfillment of criteria, payment of fee and on such terms & conditions as determined by the Authority. However, franchises shall not be eligible to relay their own In-House channels.
- k. The licensee shall abide by the Ordinance, Rules, Regulations, Terms & Conditions of the licence and directives issued by the Authority from time to time.
- l. In granting a licence, the Authority shall ensure that open and fair competition is facilitated in the operation of more than one media enterprise

in any given unit of area or subject and that undue concentration of media ownership is not created in any city, town or area and the country as a whole.

- m. The successful bidder shall obtain prior written approval of the Authority for the site / location of the Cable TV Head-end.
- n. The Authority reserves the right to direct any applicant to provide any additional information / documents, required in connection with evaluation of its application.

9. Post Bidding Licensing Regime:

All licensees shall be encouraged to extend cable TV services to rural areas/villages simultaneously. However, where a licensee remains unable to extend its operations to any rural area within time specified by the Authority in this regard, the Authority may grant a CTV licence to a third party for that particular rural area/village only.

To ensure level playing field, all the existing valid Cable TV licensees in the respective districts, where bidding has been proposed, shall continue their operations subject to conversion from analogue to digital technology, according to the roadmap / time frame set by the Authority.

10. Duration of licence:

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

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

11. Area of Operation:

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

12. Technical Standards:

The licensee shall strictly abide by “Standard for Cable TV Regulation” and all other instructions issued by the Authority, from time to time.

13. Bidding Procedure:

Open bidding procedure shall be circulated to the short listed companies before bidding.

14. Submission of Applications:

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

15. List of Documents to be Provided alongwith Application:

Following documents shall be provided by the applicant company along with application form, in the respective Regional offices of the Authority.

- a. Complete Company profile.
- b. Proof of Registration of Company with the Security Exchange Commission of Pakistan (SECP). (Certified copy of Certificate of Incorporation).
- c. Proof of Rs. 3.0 paid-up Capital of the Company.
- d. Certified copies of Article of Association / Memorandum of Association of the Company.
- e. Certified copy of Form 29, form A or 3 (if applicable) of the Company.

- f. Comprehensive Project Feasibility (Technical & Financial).
- g. Proof of Registration with Income Tax / Sale Tax etc. and last three years Income Tax statements.
- h. Character certificate issued by law enforcing agencies in respect of Directors /CEO of the companies that they are not involved in any criminal or anti-state activities nor being convicted in any criminal offence.
- i. Undertaking that Applicant Company or its Directors do not own or control any broadcast media/landing rights permission as sole or joint shareholder.
- j. Undertaking declaring that Company and its Directors are not defaulters of Government of Pakistan or its any other Organization / PEMRA.
- k. Annual Audited Accounts of the Company.

16. Base Price:

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