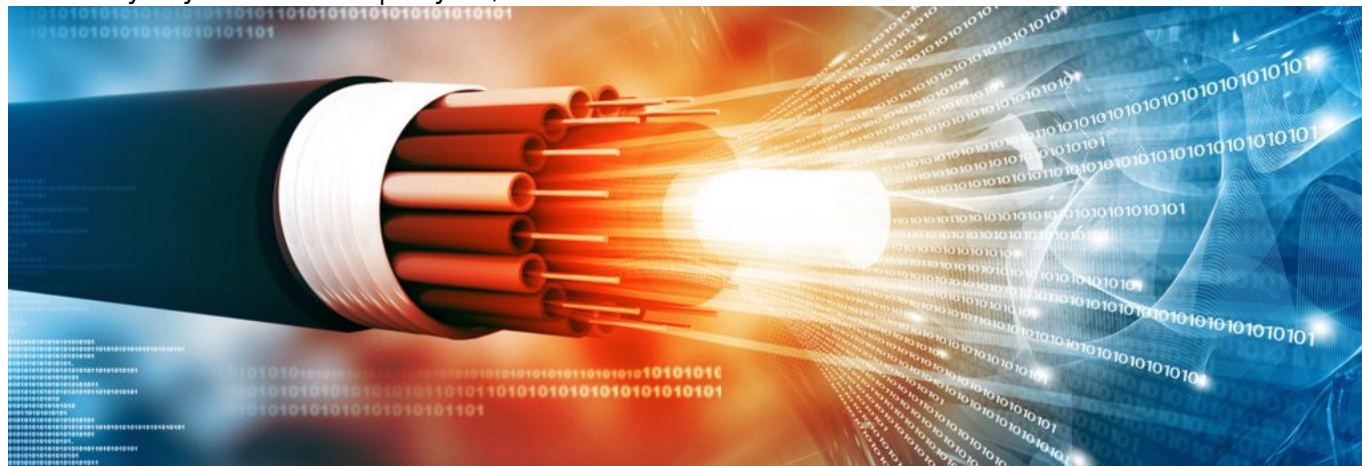


OPENING THE NETWORK: WHAT NEW INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICES LICENCES COULD MEAN FOR COMPETITION AND CONNECTIVITY IN SOUTH AFRICA

Category: Infrastructure and Telecommunications, IT Law, Technology Law
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On 21 May 2025, the Minister of Communications and Digital Technologies released a [proposed Policy Direction](#) which could reshape the regulatory landscape as we know it. The main question being: Should new Individual Electronic Communications Network Services (IECNS) licences be issued to improve competition and the universal provision of electronic communication services?

This proposed inquiry could signal a shift in sector regulation and market competition. Here is the background you need to know.

In 2019, the Competition Commission issued a [Data Services Market Inquiry report](#). The report highlighted that a lack of competition results in an increase in prices for consumers. More importantly, the report noted inadequate access to electronic communication services in South Africa.

The current regulatory framework for licences only allows ICASA to consider applications for licence transfers, as opposed to considering new applications for IECNS licences. Section 5(6) of the Electronic Communications Act, 35 of 2005 provides that,

"The Authority may only accept and consider applications for individual electronic communications network services licences in terms of a policy direction issued by the Minister in terms of section 3."

IECNS licences allow the operator to build and operate electronic communication networks in South Africa. These licensees own and operate physical infrastructure like fibre, towers or transmission equipment that can operate nationally in the country. Considering how the market has developed, there is a present risk of inadequate competition.

For a new Internet Service Provider (ISP) to enter the scene, they would need to apply for an individual electronic communications services (IECS) license, which would allow them to provide services such as internet access or VoIP or data services to end-users nationally. To start providing these services, they would need access to infrastructure. Infrastructure, only IECNS licensees are allowed to own. This means that ISPs who do not have an IECNS licence, must negotiate agreements with IECNS licensees to use their networks and pay fees to use their infrastructure.

Because infrastructure is expensive and access to IECNS licences are in the hands of few dominant players, many ISPs are stuck operating as ECS licensees with network-sharing or lease agreements. This is why access to IECNS infrastructure is a major issue in competition discussions, and one of the reasons behind the policy inquiry.

This proposed inquiry is more than a procedural exercise. It is a pivotal opportunity to ensure that telecoms policy reflects practical market realities and the need for inclusive digital access. We could see the opening-up of IECNS licensing, which would lower barriers to entry, lower prices, and improve service delivery in under-served/rural areas. We could see more investment in infrastructure. And we could learn more about how the licensing framework aligns with competition law. That being said, we also need to understand the practical realities of spectrum availability, infrastructure sharing obligations, and the duplication of resources.

If the proposed Policy Direction is promulgated, ICASA's inquiry will consider (1) the demand for new IECNS licences, (2) whether new licences will promote competition and improve access to electronic communications services, and (3) whether the benefits of new licences outweigh the costs for monitoring and enforcing compliance and the burden on the environment. If it goes ahead, the inquiry must be completed in six months.

The Minister has invited interested persons to provide written comment on the proposed Policy Direction. Submissions must be submitted within 30 days of the proposed Policy Direction's publication.

Your inputs are important because it will shape the direction of the Policy Direction and inform how ICASA approaches market dynamics, competition, and [network access](#) in the years to come. This is a chance to rethink South Africa's telecoms licensing regime.

We encourage all industry players to engage. For support in preparing a submission, contact our team.
