



GUIDELINES FOR APPLICANTS FOR IPTV LICENCES

The information presented in these guidelines is designed to assist applicants in presenting a complete and easily understandable application. The content of applications should be checked on a point-by-point basis against the requirements of the Television and Sound Broadcasting Regulations, the Application Form and these guidelines.

1. APPLICATION CRITERIA

Under the Regulations, all licence applicants are required to satisfy the Commission that they have:

- a. the ability to adequately staff the business, technically and administratively;
- b. a business plan for the viable operation of the business;
- c. the capability to offer the service for at least eight continuous hours per day;
- d. secured the relevant permission or have entered into agreements or arrangements necessary for the operation of the business;
- e. an implementation plan and a timetable for the provision of service in the area for which application is made;
- f. the technical capacity to provide the proposed service; and
- g. the capacity to offer a minimum of ten channels to each subscriber.

2. REQUIRED DOCUMENTS

Applicants are required to submit the following:

- a. Copies of:
 - Certificate of Incorporation;
 - Articles of Incorporation or Articles of Association and Memorandum of Association;
 - Letter of Good Standing from Companies Office of Jamaica;
 - Notice of Appointment/Change of Directors/Appointment of Directors Form;
 - Valid Tax Compliance Certificate (TCC);

- Valid company Tax Registration Number (TRN);
- b. The prescribed application form
 - c. Clearly labeled technical information, in keeping with the requirements of the application form.
 - d. Business plan – The following documents are required:
 - Trading, Profit and Loss Account
 - Projected Balance Sheet (Years one and two)
 - Projected Revenue Schedule
 - Projected Expense Schedule (Establishment operating and Administration)
 - Projected Cash Flow Schedule
 - Loan Repayment Schedule
 - e. An implementation plan and timetable for the provision of service in the area(s) for which application is made.
 - f. Certified copy of list of Directors (Form 23).
 - g. Evidence of intention to be copyright compliant e.g. Memoranda of Understanding (MOU) with rights holders and rights management or collection societies; Letters of intent or executed contracts.

3. TECHNICAL REQUIREMENTS

Personnel

The Applicant must demonstrate the ability to hire an adequate number of appropriately trained technical staff. A list of proposed staff may be submitted in a separate document, or included in the implementation plan.

Applicants should note that the Regulations require that licensees shall employ and keep employed at all times, a Chief Technical Officer. The CTO must be identified in the application and evidence of qualifications and experience must be included in the submission. The CTO should, at a minimum, have a degree in Computer Science along with CCNE, CCNA or other equivalent certification.

Service Area

Applicants must submit detailed, clear information on how the service will be provided. This part of the application must include an implementation plan.

Children's Code for Programming

Information should be provided on how adult and x-rated channels will be encrypted to meet the requirements of the **Children's Code**.

Applicants must also identify which member/s of staff will be responsible for programming and outline their role(s) and qualifications.

4. **FINANCIAL REQUIREMENTS**

To enable proper evaluation of applications, it is critical that all assumptions used in arriving at the projected revenue and expenses are clearly documented.

Financing

It is important that adequate information regarding the financing of the Company be made available e.g. the amount of capital the shareholders will provide. The business plan must show how any possible shortfall will be met if the capital is not adequate to operate the business. An indication is to be given as to the degree to which there will be reliance on debt capital, e.g. loans. In such circumstances, the terms of the loans or other arrangements must be stated, and commitment letters made available.

Operating Costs

The operating costs must be clearly outlined and as much documentation as possible should be presented to support assumptions made in arriving at the costs. It is important that the projected costs are consistent with the level of operation. If the project is to be financed partly by debt capital, e.g. loans, the projected profit and loss statement should include the cost of interest and other charges.

NB: Allocation should be made for the payment of annual licence fees which amounts to 5% of subscription fees.

Revenue

The projected revenue must be consistent with the projected number of subscribers and assumed rate.

Cash Flow

The cash flow proposed in the business plan must be consistent with expected revenue and projected expenses. It must also incorporate any loan proceeds and repayments.

Profit and Loss

It is important to ensure that all items included as expenses are genuine expense items. In particular, the repayment of loan principal cannot be considered as an expense and therefore should not be included in the expense items.

The Balance Sheet

The figures must be consistent with all other projections made.

5. STAGES OF THE APPLICATION PROCESS

Verification

Applicants are required to submit an original and six (6) copies of the application documents except for the following: only an original and one (1) copy of diagrams and documents relating to incorporation are required.

Applicants are responsible for ensuring that they submit all the necessary documents. However, the Commission will verify, on receipt, that a complete package has been presented. Please note that at this point the Commission officers only verify *completeness*.

Verification is **NOT A GUARANTEE** that your application meets the required standards for the grant of a licence.

A copy of the verification checklist is given to applicants with the receipt for the application fee.

Applicants should make an appointment to submit licence applications at the following times:

- **Mondays: 1:00 p.m. – 4:00 p.m.**
- **Tuesdays: 9:00 a.m. – 12 noon**
- **Thursdays: 1:00 p.m. – 4:00 p.m.**

Evaluation

The Commission may contract professional expertise to assist with evaluation of applications. Among these are chartered accountants and auditors, telecommunications experts, attorneys and media specialists.

Applicants must ensure that the material submitted is clear and self-explanatory. Where necessary, diagrams must be labeled with diagram keys.

The Evaluation Committees will not attempt to guess the meaning of unmarked and/or ambiguous diagrams. The use of contrasting colours on diagrams is particularly helpful.

Documents should be collated, in sequence and be secured firmly e.g., bound. They should be labeled and each application package numbered and parceled separately. A list of documents, or a content list, should be included in the application package.

The suggested sequence of documents is:

- a. list of contents
- b. documents of incorporation
- c. application form with technical checklist
- d. a business plan
- e. implementation plan; and
- f. all other supporting documents

Recommendation for licence

The Commission decides whether applicants have demonstrated the capacity to operate a media service according to the standards set out in law. A recommendation is then submitted to the Minister of Information, who has the authority to grant licences.

Award of Licence

The Ministry of Information will communicate directly with applicants on the outcome of their applications.

Appeal

Applicants who have been refused a licence have the legal right to request a hearing with the Minister of Information. There is a further right of appeal to an Appeals Tribunal.