



Quick guide on creating a cooperative in South Africa

A co-op is a business like any other, except that it's owned by its members/users. Like any business it must register with the Department of Trade & Industry (via the Companies & Intellectual Property Commission, CIPC) to operate legally and to be able to open a bank account.

Besides business registration, anyone operating telecommunications must also be licenced and/or exempted from licencing by ICASA. Here we share the path followed by Zenzeleni Networks Mankosi.

Official instructions are at <http://www.cipc.co.za/index.php/register-your-business/co-operatives/>. A fee of R215 is payable and one has to download, print, sign, scan and upload some documents. The page suggests that one use form CR5 to reserve the co-op's name, for another R50, but Zenzeleni was able to avoid this by giving the name in its introductory letter.

If you use the model constitution provided, you have to insert your organisation's objectives. Here are the Zenzeleni co-op's:

1. To provide telecommunication services (voice and data) to its members on a not-for-profit basis. The co-operative will negotiate wholesale prices with Internet Service Providers (ISPs) and will maintain and operate a telecommunication network deployed in Mankosi Administrative Area (AA) to reduce the cost of communications amongst its members.
2. To reinvest the surplus generated by its activities in initiatives aiming at the upliftment of its members, the cooperative will, once a year, select local development initiatives proposed by its members which will receive funding for its start-up and/or expansion.
3. To operate and maintain solar charging stations to augment the financial sustainability of the telecommunication services. The co-operative will use existing solar power generation and storage systems, and will ensure the security and full charge of the devices.

The Zenzeleni co-op also chose to amend the text of the model constitution by attaching this letter:

"Amendments to sections in the Constitution

"The sections listed below will be amended accordingly. **Bold** text substitutes existing text in the constitution attached.

"- Section 35. [1] The term of office of the Directors of the Co-operative shall be **one year**.

"- Section 44. [2] **80%** of the directors shall constitute a quorum of a meeting of the board.

"- Section 68. [a] **at least 1% and no more than 5%** is set aside as a reserve in the Undivisible Reserve Fund.

"- Section 68. [b] **the rest of the surplus is used in initiatives aiming at the upliftment of its members.**"

Documents to submit to ICASA

(Please ensure that both the representative of the Coop and a Commissioner of Oaths initial **every page** of Form M as well as every page of the attachments.):



- Form M (**signed** by a Commissioner of Oaths and a representative of the Coop)
- Resolution **signed** by the Directors of the Coop
- Photocopy with Documentation received from the DTI to confirm registration of the coop
 - Registration letter
 - Registration certificate
 - List of Directors
- List of access points deployed
- Short description of the activities

Resources

[Form M](#)

[License exemption](#)

[Licence Exemption Regulations](#)

FORM M

LICENCE EXEMPTION SERVICES AND NETWORKS (Regulation 13)

INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

- Note: (a) Registrant must refer to the Electronic Communications Act, 2005 (Act No. 36 of 2005) ("the Act") and any regulations published under that Act with regard to the requirements to be fulfilled by applicants.
- (b) Information required in terms of this Form which does not fit into the space provided may be included in an appendix attached to the Form. Each appendix must be numbered with reference to the relevant part of the Form.
- (c) Where any information in this Form does not apply to the registrant, the registrant must indicate that the relevant information is not applicable.

1. PARTICULARS OF REGISTRANT	
1.1 Full name of registrant:	ZENZELENI TELECOMMUNICATIONS NETWORK PRIMARY CO-OPERATIVE LIMITED T/A ZENZELENI NETWORK
1.2 Designated contact person:	MASIBULELE SIYA
1.3 Registrant's street address:	MANKOSI ADMINISTRATIVE AREA WARD 26, NYANDENI LOCAL MUNICIPALITY EASTERN CAPE
1.4 Registrant's principal place of business (if different from street address):	AS ABOVE
1.5 Registrant's postal address:	AS ABOVE
1.6 Registrant's telephone number/s:	073 374 9728
1.7 Registrant's telefax number/s:	N/A
1.8 E-mail address of designated contact person:	jaysiya26@gmail.com

M
MS

2. LEGAL FORM OF REGISTRANT	
2.1 Indicate if the registrant is:	
(i) a natural person	
(ii) a partnership	
(iii) a juristic person	X
(iv) other (specify)	
2.2 If the registrant is a natural person or a partnership:	
2.2.1 Provide the identity number of the registrant or each partner in the registrant:	N/A.
2.2.2 If the registrant is a juristic person:	
Provide certificate of incorporation	
PLEASE REFER TO APPENDIX 2.2.2 OF FORM M.	

3. NATURE OF SERVICES TO BE AUTHORISED	
3.1 Indicate if the service to be provided is:	
(i) an electronic communications network service	X
(ii) an electronic communications service	X
3.2 Indicate the form of licence exemption being sought with reference to the categories of licence exemption as set out in the Licence Exemption Regulations.	
	PECN
	SECTION 7 - NON-PROFIT CO-OPERATIVE
3.3 Provide the description of the service, the manner in which it is to be provided and provide a detailed explanation of the purpose for which the service is to be provided.	
THE REGISTRANT WISHES TO INSTALL AND OPERATE ACCESS POINTS/HOTSPOTS WITHIN THE NYANDENI LOCAL MUNICIPALITY WITH A VIEW TO PROVIDING VOICE AND DATA SERVICES TO MEMBERS OF THE CO-OPERATIVE. THE REGISTRANT WOULD UTILISE THE WHOLESALE ECS AND ECNS OF UPSTREAM PROVIDERS AND WOULD OPERATE ON A NON-PROFIT/COST RECOVERY BASIS. PLEASE REFER TO APPENDIX 3.3 OF FORM M FOR FURTHER DETAIL IN THIS REGARD.	
3.4 Indicate the geographic area in which the service is to be provided:	
THE MANKOSI ADMINISTRATIVE AREA. PLEASE REFER TO APPENDIX 3.4 FOR FURTHER DETAIL IN THIS REGARD.	

M ME

4. RADIO FREQUENCY SPECTRUM

4.1 Indicate if the registrant holds any radio frequency spectrum licence in respect of radio frequency spectrum to be utilised for the purpose of providing the services for which authorisation is sought in terms of this registration. Attach a copy of any such radio frequency spectrum licence marked clearly as **Appendix 4.1 of FORM M**:

THE REGISTRANT WILL INITIALLY MAKE USE OF LICENCE EXEMPT FREQUENCY SPECTRUM IN THE 2.4 ISM AND 5.8 GHZ OUTDOOR HIPERLAN BAND. THE REGISTRANT MAY SEEK TO OBTAIN LICENSED FREQUENCY SPECTRUM IN A SUITABLE BAND (2.1, 2.3, 2.6, 3.5, 5 GHZ) WHEN SAME BECOMES AVAILABLE FOR LOCAL OR REGIONAL ALLOCATIONS.

4.2 Indicate if the registrant has submitted or intends to submit an application for a temporary radio frequency spectrum licence for the provision of the services to which this registration relates. Furthermore, indicate the frequency band which is proposed to be utilised for the purpose of providing the service:

N/A.

5. GENERAL

Attach a resolution authorising the person signing this registration to sign and mark it clearly as **Appendix 5 of FORM M**.


PLEASE REFER TO APPENDIX 5 OF FORM M.

The person signing the registration on behalf of the applicant must acknowledge as follows:
 I acknowledge that the Authority reserves the right to have any authorisation issued pursuant to this application set aside, should any material statement made herein, at any time, be found to be false.

Signed 
 (APPLICANT)

I certify that this declaration was signed and sworn to before me at COFFEE BAY on the 09 day of April 2014 by the deponent who acknowledged that he/she:

1. knows and understands the contents hereof;
2. has no objection to taking the prescribed oath or affirmation; and
3. considers this oath or affirmation to be truthful and binding on his/her conscience.



COMMISSIONER OF OATHS
 Name: MS. MGINDI
 Address:
 Capacity:

SOUTH AFRICAN POLICE SERVICES
 SUPPORT HEAD
 09-04-2014
 SIGN: COFFEE BAY SAPS

M



Independent Communications Authority of South Africa
Pinmill Farm, 164 Katherine Street, Sandton
Private Bag X10002, Sandton, 2146

Licensing and Compliance
Tel: +27 11 566 3645
Fax: +27 11 566 3646
Email: ahlabioa@icasa.org.za
Ref: PECN/0018/2014/ECSLE/0003/2014

Masibulele Siya

Zenzeleni Telecommunications Network
Primary Co-Operative Limited
Mankosi Administrative area
Ward 26, Nyandeni Municipality
Eastern Cape

Per email: iaysiya26@gmail.com

Dear Masibulele Siya

**RE: APPLICATION FOR PECN AND ECS LICENCE EXEMPTIONS:
ZENZELENI NETWORK**

1. We refer to your application received on 14 April 2014 for Private Electronic Communications Network Service (PECN) and Electronic Communications Service licence exemption.
2. We advise that the Authority has granted Zenzeleni Telecommunications Network Primary Co-Operative Limited a licence exemption to construct, maintain and operate a PECN to be used principally for or integrally related to the internal operations of Zenzeleni Network.

3. We also advise that the Authority has granted Zenzeleni Network an ECS licence exemption to resell electronic communications services obtained from a duly licensed entity in terms of chapter 3 of the Electronic Communications Act, 2005 (Act No. 36 of 2005) ("EC Act").
4. We further advise that the PECN and ECS licence exemptions are subject to the terms and conditions for exempted services as contained in the ICASA Licence Exemption Regulations published in the Government Gazette No: 31289 of 29 July 2008 read with section 6 of Electronic Communications Act, 2005 (Act No: 36 of 2005).

Hope you find the above in order.

Yours sincerely,



AMOS HLABIOA

ACTING GM: LICENSING & COMPLIANCE

DATE: 23/05/2014

ELECTRONIC COMMUNICATIONS ACT 36 OF 2005

REGULATIONS REGARDING LICENCE EXEMPT ELECTRONIC COMMUNICATIONS NETWORKS, ELECTRONIC COMMUNICATIONS NETWORK SERVICES AND ELECTRONIC COMMUNICATIONS SERVICES IN TERMS OF SECTION 6

Published under General Notice 912 in *Government Gazette* 31289 of 29 July 2008

I, Paris Mashile, Chairperson of the Independent Communications Authority of South Africa (“the Authority”) acting on behalf of the Council of the Authority, hereby approve and publish regulations in the schedule prescribed in terms of [section 4](#) read with [section 6](#) of the Electronic Communications Act, 2005 (Act No. 36 of 2005).

PARIS MASHILE
CHAIRPERSON

SCHEDULE

- [1. Definitions](#)
- [2. Licence exemption in general](#)
- [3. Electronic communications service](#)
- [4. Electronic communications networks and electronic communications network services](#)
- [5. Restriction on the provision of licence exempt services](#)
- [6. Safety measures](#)
- [7. Provision of information](#)
- [8. Publication of tariffs and fees](#)
- [9. Metering and billing arrangements](#)
- [10. Notices and addresses](#)
- [11. Offences and penalties](#)
- [12. Short title and commencement](#)

1. DEFINITIONS

In these Regulations, any word or expression has the meaning assigned to it in the Electronic Communications Act, 2005 (Act No. 36 of 2005), unless the context indicates otherwise-

“**Act**” means the Electronic Communications Act, 2005 (Act No. 36 of 2005);

“**Ancillary service**” means a retail service or bundle of retail services which do not amount to an Electronic Communications Service and includes necessary but incidental elements of ECS, where such ECS elements do not constitute the major purpose, utility or value of the service, including but not limited to, tracking, alarm and similar services;

“**ECN**” means electronic communications network;

“**ECNS**” means electronic communications network service;

“**ECS**” means electronic communications service; and

“**PECN**” means private electronic communications network;

“**Small electronic communications network**” means an ECN that lies within a limited spatial area, used by a specific user group, has a specific topology and is not an ECNS of national, provincial, district or local municipal scope, but may be connected to one which is licensed or licence exempt. For example Local Area Network (LAN) or wireless LAN (WLAN).

2. LICENCE EXEMPTION IN GENERAL

ECS, ECN and ECNS that may be provided or operated in terms of a licence exemption are as set out in regulation 3 and 4 herein.

3. ELECTRONIC COMMUNICATIONS SERVICE

- (1) A person who provides ECS on a non-profit basis is licence exempt and may include, but not limited to:
 - (a) a non profit organization registered in terms of the Non-Profit Organizations Act, 1997 (Act No.71 of 1997);
 - (b) a company registered in terms of [section 21](#) of the Companies Act, 1973 (Act No.61 of 1973);
 - (c) a non-profit organization established in terms of any other Act of Parliament; or
 - (d) an entity that provides ECS to the public for free.
- (2) A Reseller that provides ECS duly obtained from a licensee licensed in terms of Chapter 3 of the Act or a licence exempt entity is not required to hold an ECS licence.
- (3) A person that provides an Ancillary service is licence exempt.

4. ELECTRONIC COMMUNICATIONS NETWORKS AND ELECTRONIC COMMUNICATIONS NETWORK SERVICES

- (1) A small electronic communications network is licence exempt.
- (2) A small electronic communications network must use frequencies which are licence exempt in accordance with the radio frequency spectrum licence exemption regulations published by the Authority in terms of [section 6](#) read with [section 31](#)(6) and technical parameters falling within the limits prescribed therein.
- (3) A PECN in terms of [section 6](#)(2)(c) of the Act is licence exempt.
- (4) Where a PECN resells, leases or otherwise makes available any spare capacity on its network to a third party, such resale, lease or other provisioning of spare capacity is subject to:
 - (a) using a cost recovery pricing model to be prescribed by the Authority; and

- (b) The regulations 5 to 11 of these regulations.

5. RESTRICTION ON THE PROVISION OF LICENCE EXEMPT SERVICES

- (1) Licence exempt services are not absolved from:
 - (a) Having all the necessary radio frequency spectrum and ECNS licences, as appropriate; and
 - (b) Ensuring that all electronic communications equipment and facilities as well as radio apparatus to be used in respect of the services provided in terms of the licence exemption is type approved.

6. SAFETY MEASURES

A person that provides ECS or ECNS in terms of a licence exemption must, in respect of all apparatus, equipment, facilities and installations that it owns, leases or uses, take such safety measures as may be prescribed and in any event, such reasonable and necessary safety measures to safeguard life or property and limit exposure to electromagnetic emissions, radiation and related risks.

7. PROVISION OF INFORMATION

- (1) The Authority may, in the course of carrying out its obligations under the Act, require a person providing ECS and/or ECNS in terms of a licence exemption to provide information so as to enable the Authority to:
 - (a) monitor and enforce consumer protection, quality of service, competition and other requirements of the Act and related legislation;
 - (b) allow for the assessment and allocation of applicable fees and related requirements;
 - (c) facilitate the efficient use of scarce resources; and
 - (d) collect and compile aggregate information to be used for the purpose of sectoral planning and reporting.
- (2) In respect of each information request referred to in regulation 7(1), except where otherwise addressed in applicable regulations, the Authority will provide, among other things, detailed specifications of its information request, applicable response times and identify a contact person to address queries to in the matter concerned.

8. PUBLICATION OF TARIFFS AND FEES

- (1) A person selling, leasing or otherwise providing spare capacity on a PECN may not do so for a charge, fee or other compensation, unless the price(s) for the service and other terms and conditions of the provision of such service have been made known to the public by:
 - (a) making such prices and terms and conditions available for inspection at its offices during

- business hours;
- (b) providing such details to anyone who requests same at no charge; and
 - (c) providing such details on its website, if any.
- (2) A person selling, leasing or otherwise providing spare capacity on a PECN in terms of a licence exemption must provide to the Authority:
- (a) details of the price(s) for its service(s) and other terms and conditions for the provision of such service within 30 days of commencing such service;
 - (b) on a bi-annual basis, a record of the actual services provided and the actual tariffs charged during the previous six months;
 - (c) such other information as may be specified by the Authority from time to time.

9. METERING AND BILLING ARRANGEMENTS

- (1) A person selling, leasing or otherwise providing spare capacity on a PECN in terms of a licence exemption must:
- (a) install and operate metering and billing systems which accurately record the extent of the service(s) provided to any subscriber; and
 - (b) provide a detailed and accurate invoice and/or statement of services rendered to any subscriber at no charge, except where the subscriber is a licensee or a provider of services on a licence exempt.
- (2) The invoice and/or statement of services rendered must include information for the entire period covered by such invoice or statement detailing:
- (a) services rendered to the subscriber; and
 - (b) the breakdown of charges associated with such services.

10. NOTICES AND ADDRESSES

- (1) Any notice or certification given by the Authority or a person providing ECS or ECNS in terms of a licence exemption must be in writing and, unless and until the contrary is proven :
- (a) If delivered by hand to the recipient's address, it will be deemed as received at the time of delivery;
 - (b) If posted by pre-paid registered post from an address within the Republic, it will be deemed to have been received on the 14th day after the date of posting;
 - (c) If sent by facsimile/electronic mail transmission during normal business hours, proof of successful transmission will be deemed to be proof of receipt.

11. OFFENCES AND PENALTIES

- (1) A person who intentionally or negligently contravenes or fails to comply with these regulations, is guilty of an offence and is, on conviction by a court of law, subject to a fine not exceeding R30 000.
- (2) Any person who is aggrieved by the failure of a person who provides a licence exempt service contemplated in terms of [section 6](#) of the Act to comply with these regulations may lodge a complaint with the Authority for investigation and if appropriate, adjudication by the Complaints and Compliance Committee in terms of [section 17B](#) and [C](#) of the ICASA Act, 2000 (Act No. 13 of 2000) and the imposition of a sanction by Council in terms of [section 17E](#) of the ICASA Act, 2000 (Act No. 13 of 2000).

12. SHORT TITLE AND COMMENCEMENT

These regulations are called the ICASA Licence Exemption Regulations, 2008 and will come into effect 30 days from the date of publication in the *Government Gazette*.