

GUIDELINES FOR APPLICATION FOR SATELLITE MASTER ANTENNA TELEVISION LICENCE

1. INTRODUCTION

- 1.1 The following guidelines for application for Satellite Master Antenna Television (SMATV) Licence are issued pursuant to section 6D(2)(a) of the Telecommunications Ordinance (Cap. 106).
- 1.2 A SMATV system, which consists of one or more satellite receiving dish antennas, is usually installed at the rooftop of a building. Satellite television programmes received by these antennas are distributed by cable to individual households of the building. In accordance with the Telecommunications Ordinance, a person is required to obtain a licence for the installation, maintenance and operation of SMATV system.
- 1.3 Application should be made with a completed application form and the required documents, which could be submitted to the Office of the Communications Authority (OFCA) by any of the methods as stated in the application form. You may obtain the application form by writing to the OFCA or download it from the Communications Authority's (CA's) website at <http://www.coms-auth.hk>.
- 1.4 The CA may request the applicant to provide additional information and clarification where necessary.
- 1.5 Under the Broadcasting Ordinance (Cap. 562), "Television Receive Only System" (TVRO) means a system for receiving satellite television signals for use by a single specified premises and the received signals are not distributed to others. A TVRO system does not require any licence under the Telecommunications Ordinance.

2. GENERAL INFORMATION

- 2.1 The installation, maintenance and operation of SMATV system will be covered by the SMATV Licence under the Telecommunications Ordinance.
- 2.2 A SMATV Licence is valid for two years and may be renewed for a period of two years at a time. One licence will cover all the SMATV systems under the responsibility of one SMATV system operator. The licence fees payable on the issue or on anniversary of the issue of the licence in each year while the licence remains in force will consist of an annual fixed fee of \$750 plus an annual variable fee of \$600 for every 100 outlet points or part thereof; the number of outlet points being those functioning at the time when the licence is issued or on anniversary of the issue of the licence in each year while the licence remains in force. If a single household has more than one outlet point, these are counted as one outlet point only. Each outlet point in places such as shopping mall, club house etc. will be counted as an individual outlet point. During the licence validity period, changes to the number of systems and outlet points do not involve the payment of licence fee.
- 2.3 An applicant of SMATV Licence should be a company registered under the Companies Ordinance (Cap. 622) of Hong Kong. There is no restriction on

foreign ownership. Licence will be issued to applicants who meet the criteria for licensing. There is no predetermined limit on the number of licences to be issued. However, the applicant should take particular note of the following conditions of the SMATV Licence:

- (1) The licensee shall not originate any material or message which is distributed to users of the system (General Condition 6).
- (2) The cables of a licensed SMATV system shall not cross any street or unleased Government land without the written authorisation of the CA (General Condition 9).
- (3) The licensee shall not charge or receive the benefit of, directly or indirectly, any fee for the right to receive programmes or other communication distributed by means of the system (General Condition 10(1)).
- (4) The licensee shall distribute only signals intended for general reception (General Condition 11). The meaning of “signals intended for general reception” is defined in General Condition 11(1).
- (5) The transmission plan employed in the SMATV system shall be approved by the CA. The system shall comply with the relevant requirements specified in the latest version of HKCA 1104 - Performance Requirements for In-Building Coaxial Cable Distribution Systems (IBCCDS) issued by the CA (General Condition 14). A copy of this specification can be downloaded from the OFCA's website at <http://www.ofca.gov.hk>.
- (6) Each aerial installation shall be confirmed by a registered structural engineer as meeting the safety requirements defined in General Condition 15(1). The meaning of a “registered structural engineer” is given in General Condition 15(3).
- (7) The licensee shall insure itself, throughout the licence validity period, against its third party liabilities in respect of personal injury, death and damage to property, arising out of or in connection with the installation, maintenance and operation of the system. The amount of insurance shall be at least HK\$5,000,000 per occurrence or such sum as the CA may notify in writing in future (Special Condition 12).

3. THINGS TO NOTE IN SUBMITTING AN APPLICATION

3.1 Company Structure and Financial Capability

- (1) The application should include a photocopy of the Certificate of Incorporation/Certificate of Registration of Non-Hong Kong Company and the Business Registration Certificate of the applicant company, information on the company's principal shareholdings, issued and paid-up share capital, and a photocopy of the “Form NNC1- Incorporation Form (Company Limited by Shares)” and/or “Form ND2A - Notice of Change of Secretary and Director (Appointment/Cessation)” issued by the Registrar of Companies.

- (2) Where the applicant is a company already in existence, the application should include a photocopy of the latest audited profit and loss accounts and balance sheet. If the applicant is a newly formed company, the application should include a photocopy of the director's certificate of the amount of issued and paid-up share capital, together with a banker's confirmation of the amount of his deposits and/or available credit facilities, if any.
- (3) The application should include a financial plan for the first three years of operation, including the target number of SMATV systems to be installed and operated, the level of charges (both non-recurrent and recurrent), a budgeted profit and loss statement (with details on revenue, fixed costs and variable costs) and a budgeted cash flow statement.
- (4) As for the information submitted in response to paragraphs 3.1(2) and (3) above, the applicant should show that he has the financial capability to finance the planned activities stated in the application.
- (5) The applicant should submit the application together with documentary proof showing that arrangement has been made with an insurance company for complying with the insurance requirements stated in paragraph 2.3(7) above.

3.2 Technical Details of SMATV Systems

The applicant should provide a description of the types of SMATV systems he intends to install, maintain and operate. The information should include technical specifications, equipment brochures and catalogues for the proposed SMATV systems. The applicant should provide sufficient information to demonstrate that the proposed installations will comply with specification HKCA 1104 (the latest version), including the part concerning electrical safety.

3.3 Technical Support

- (1) The applicant should provide the details of the technical support team including a description of the management and technical personnel. The applicant should demonstrate that the technical support team is capable of taking up the responsibilities for the installation, commissioning, maintenance and operation of SMATV systems.
- (2) The applicant should provide evidence of the arrangement made to have access to a registered structural engineer to comply with General Condition 15.
- (3) The applicant should include a list of instruments, equipment and plant used for carrying out the installation, commissioning and maintenance of SMATV systems. The applicant should demonstrate that the listed instruments, equipment and plant are appropriate and adequate for the proposed activities.

3.4 Previous Experience

The applicant should describe any previous experience of his company and/or his technical personnel in the installation, commissioning and maintenance of SMATV or telecommunications or broadcasting or electronics systems. This should include a brief description of the projects concerned, dates of

commencement and completion of work, contract values and names of clients or owners.

4. ENQUIRIES

4.1 Any person who has enquiries relating to licensing matters may

- (1) call us on 2961 6609;
- (2) fax to 3155 0944;
- (3) mail to Support Services Subsection, OFCA, 29/F., Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong; or
- (4) e-mail to support_services@ofca.gov.hk.