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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

PAKISTAN ELECTRONIC MEDIA REGULATORY
AUTHORITY (PEMRA)

NOTIFICATION

Islamabad, the 2nd December, 2011

S. R. O. 1162(I)/2011.— In exercise of the powers conferred by subsection (3) of section 4 read with all other enabling provisions of Pakistan Electronic Media Regulatory Authority Ordinance 2002 (XIII to 2002), the Pakistan Electronic Media Regulatory Authority is pleased to make the following regulations, namely:-

1. **Short title and commencement.**—(1) These regulations shall be called Pakistan Electronic Media Regulatory Authority (Distribution Service Operations) Regulations, 2011.

(2) They shall come into force at once.

(4651)

PART-I

2. **Definitions.**— (1) Terms and expressions used in these regulations shall have, unless it appears repugnant to the context or provided otherwise, following meaning:
- (a) “application form” means the application form specified by the Authority for applying for grant of a licence;
 - (b) “Authority” means the Pakistan Electronic Media Regulatory Authority (PEMRA) established under section 3 of the Ordinance;
 - (c) “authorized officer” means the Chairman, Regional General Manager, officer in-charge of the respective region or any other officer authorized by the Chairman or the Authority for carrying out the purpose of these regulations;
 - (d) “basic service” means the TV channels of national broadcasters, non-commercial educational and health related TV channels licensed by the Authority and such other free to air television channels as determined by the Authority to be distributed by a distribution service licensee to its subscribers against a fixed minimum monthly subscription fee;
 - (e) “cable television operator” means any person who owns, controls, manages or runs any cable television system;
 - (f) “Chairman” means the Chairman of the Authority;
 - (g) “Chairperson” means the head of a Council of Complaint;
 - (h) “code” means the Code of Conduct for electronic media prescribed by the Authority;
 - (i) “compulsory channels” means the television channels of national broadcasters;

- (j) "Council" means the Council of Complaints established under the Ordinance;
- (k) "decoder" means a device which is used for decoding the television signals which can be or is connected to a television receiver and which allows subscribers to television signals;
- (l) "Set-Top-Box" means a device used for receiving and decoding television signals;
- (m) "DTH" means Direct to Home distribution of audio-visual signals received *via* satellite to small dish antennas across the footprint of the satellite to subscribers.
- (n) "distribution service" means a service which receives broadcast and pre-recorded signals from different TV and radio channels and distributes them to subscribers through cable, wireless, , satellite options and Mobile networks and includes Cable TV, LMDS, MMDS, DTH, IPTV, Mobile TV and such other similar technologies;
- (o) "distribution service operator" means any person engaged in the business of distribution service through any technology allowed by the Authority;
- (p) "eligible channel" means a TV channel licensed by the Authority to be eligible for reception and distribution in the country;
- (q) "foreign company" means a company or body corporate organized, and registered under the laws of a foreign government;
- (r) "foreign content" means the content that is produced under the, direct or indirect, creative control of foreigners, foreign companies or foreign broadcasters;
- (s) "foreign broadcasting service" means a broadcasting service which is uplinked from outside Pakistan and is received or down-linked in Pakistan;
- (t) "free to air broadcasting service" means a broadcasting service made available to the public without subscription fee;

- (u) "Internet TV" means provision of television and radio channels through a uniform resource locator;
 - (v) "licence" means a licence issued by the Authority to establish and operate a broadcast media or distribution service;
 - (w) "licensee" means a person to whom the Authority has issued a licence;
 - (x) "Ordinance" means the Pakistan Electronic Media Regulatory Authority Ordinance, 2002 as amended from time to time;
 - (y) "pay TV channel" means a TV channel for which fee is to be paid to the broadcaster or its authorized distributor for its reception;
 - (z) "regulations" means the regulations made under the Ordinance;
 - (aa) "rules" means the rules made under the Ordinance;
 - (bb) "subscriber's equipment" means equipment installed at subscriber premises for receiving the television or radio service;
- (2) Words and phrases used but not defined in these regulations, unless the context otherwise requires, shall have the meanings assigned to them in the Ordinance and the rules made thereunder.

PART II LICENSING CRITERIA

3. **Licence to operate.**—(1) No person shall establish or operate a distribution service except after obtaining a licence from the Authority.

(2) Every licence shall be subject to such terms and conditions as given in the Ordinance, the rules, these regulations or as otherwise provided by the Authority.

4. **Particulars of application for grant of a licence to operate distribution service station.**—(1) The application for grant of a licence to operate a distribution service network shall be made on the Application Form specified by the Authority for this purpose.

(2) In relevant cases, the applicant shall indicate the desired category of licence from amongst the categories specified by the Authority:

Provided that the Authority may determine appropriate category of the licence depending on the area of operation, number of subscribers and keeping in view other relevant factors.

(3) Every application for grant of licence shall be accompanied by such non-refundable application processing fee as determined by the Authority.

5. Criteria for evaluating licence application.— (1) Applications for the grant of a licence shall, in the first instance, be short listed in accordance with the prescribed criteria.

(2) The applicant who is, directly or indirectly, holding a licence issued by the Authority shall not be issued any further licence unless all outstanding dues in respect of all the licences held by such applicant, directly or indirectly, have been paid and a satisfactory report has been obtained regarding compliance with the relevant laws from concerned wings of the Authority:

Provided that a maximum number of distribution service licences that may be issued, to a person or any of its directors or partners where such person is a company or firm, directly or indirectly, shall not exceed a total of four distribution service licences:

Provided further that except in the case of landing rights permission, a person shall not be granted more than one distribution service licence in the same area of operation.

(3) The applicant shall certify that it is not a defaulter of the Authority, any financial institution, Federal Board of Revenue or any other organization/entity owned or operated by the government.

(4) The applicant shall be registered with the relevant tax authorities for, *inter alia*, sales tax and income tax.

(5) A licensee who owns, controls, operates or manages directly or indirectly broadcast media or landing rights permission shall not be granted any other distribution service licence and *vice versa*.

6. **Issuance of licence.**—(1) The Authority shall process each application and on being satisfied that the applicant(s) fulfils the eligibility criteria may, on receipt of the applicable licence fee and prescribed security deposit, issue licence to the applicant(s):

Provided that security deposit shall be refundable after one year of satisfactory performance by the licensee and may be forfeited where the licensee has either failed to commence its operation within given time or show satisfactory performance for one continuous year:

Provided further that if at any time it is found that the licensee had provided false or misleading information/certificate for issuance of the licence, the licence shall be withdrawn.

(2) The Authority, if satisfied that the applicant is not eligible for grant of licence or the issuance of licence to a particular person is not in the public interest, may refuse grant of licence to such person by recording reasons in writing.

7. **Fees and security deposits.**— (1) The licence and annual renewal fees payable pursuant to these regulations shall be as determined by the Authority from time to time.

(2) A surcharge at the rate of ten percent per month, upto a maximum of thirty percent, for late payment of annual fee or licence renewal fee, as the case may be, shall be payable:

Provided that and without prejudice to the power of the Authority to revoke a licence, if a licensee fails to pay the outstanding dues including surcharge after expiry of three months from the due date, the licence shall stand suspended and equipment shall be seized by the authorized officer. However, the equipment may be returned on payment of outstanding dues and such fine as the Authority may determine.

8. **General Licence terms & conditions.**—(1) The licensee shall operate only within the area of operation as specified in the licence.

(2) A licensee shall maintain a record and register of the channels distributed by it for a period not less than ninety days.

(3) A licensee shall not relay any In-house channel unless specific permission has been obtained from the Authority after fulfillment of prescribed criteria, payment of applicable fee and other dues.

(4) A licensee shall maintain a complete record of programmes and advertisements aired on its In-House channels for a period not less than ninety days and provide the same to the Authority whenever so required.

(5) A licence shall be withdrawn, if the licensee fails to put into operation the distribution service station within a period of one year or as specified in its licence.

(6) A licensee shall not change the location of its head-end, business address, data center, transmitter location, complaint center, earth station etc. as the case may be, without prior written permission of the Authority.

(7) A licensee shall club channels of similar category/genre together in order to ensure that searching of relevant channels by the subscribers is facilitated.

(8) A licensee shall include compulsory channels in the basic service.

(9) Except in the case of Force Majeure, a licensee shall not change the position of any channel being distributed by it unless a forty eight hour prior notice has been given to its subscribers.

(10) A licensee shall not provide its signal to any other person for distribution unless prior approval of the Authority has been obtained and such person holds a valid distribution service licence from the Authority:

Provided that the signal shall only be distributed within the area of operation of the licensee.

(11) A distribution service licensee and licensed TV channel may enter into distribution service agreement with each other and provide a copy of the same to the Authority whenever so required.

(12) A licensee shall comply with the local laws of Pakistan and shall not enter into any foreign or local agreement that is in violation of the Ordinance and the rules and regulations made thereunder.

9. **Renewal of Licence.**—(1) The licence shall be valid for such period as specified in the licence subject to payment of annual fee and compliance with the relevant laws and may be renewed for a similar term subject to following:

- i. fulfillment of eligibility criteria and other conditions as provided in the Ordinance, rules, these regulations or otherwise;
- ii. satisfactory past performance;
- iii. proof of registration with tax authorities for income tax and sales tax;
- iv. the applicant must not be a defaulter of any financial institution, Federal Board of Revenue or any organization/entity owned or operated by the Government of Pakistan;
- v. payment of renewal fee as applicable at the time of renewal; and
- vi. payment of outstanding dues in respect of all licences that are held by the applicant, directly or indirectly:

Provided that in the case of renewal of licence of Cable TV in category B-3 and above, the applicant (if already not a company) shall also form a company under the same management and a minimum paid-up capital of three million rupees whose object clause shall allow entry in the business of cable TV and subject to the above, the licence shall be renewed in the name of the company.

(2) The licensee shall apply for renewal of its licence at least six months prior to expiry of the licence.

10. **Subscription rates.**—(1) A licensee shall not charge subscription fee at a rate higher than the maximum fee determined by the Authority from time to time.

(2) A licensee shall not discriminate against any subscriber in offering service and setting charges.

11. **Voice or data services over distribution service network.**—A distribution service licensee shall not offer voice or data services over its

network unless prior licence from Pakistan Telecommunication Authority under the relevant laws has been obtained:

Provided that the licensee shall ensure that the quality of service is not compromised or deteriorated.

12. **In-House channel permission conditions.**—(1) Each distribution service licensee having In-House channel permission shall abide by the terms and conditions of the permission.

(2) During a regular programme a continuous break for advertising shall not exceed three minutes and duration between two such successive breaks shall not be less than fifteen minutes:

Provided that during the transmission of any given one hour, the total duration of advertisements shall not exceed a maximum of twelve minutes.

13. **Copyrights.**—(1) A licensee shall be responsible for ensuring that copyright obligations with respect to the programmes or channels being relayed over the system are fulfilled.

(2) Neither the Authority nor any employee of the Authority shall be liable for any offence, damage or other injury which anyone may suffer because of the negligence or violation of any law or code of conduct by the licensee or ensuing from any other source.

14. **Dispute settlement.**—(1) In case a broadcast media licensee believes that a distribution service licensee has failed to meet its obligations or *vice versa*, such licensee shall notify the other licensee, in writing, of the claimed failure and reasons in support of its claim.

(2) The licensee, on receipt of notification under clause (1), shall respond immediately but not later than five days, in writing, and either commence to comply with its obligations or state its reasons for believing that it is already in compliance with its obligations.

(3) In case a complainant does not receive a reply under clause (2) within five days or is not satisfied with the response, such complainant may complain, in writing, to the concerned regional officer of the Authority.

(4) The concerned regional officer of the Authority, upon receipt of complaint shall place the same before the Council of Complaints for appropriate recommendation to the Authority.

(5) The Authority, on receipt of recommendation of the Council, may pass such orders as deemed appropriate.

PART III CONSUMER PROTECTION

15. **Procedure for distribution service connection.**—(1) Any person desirous of obtaining a service connection may apply to the licensee, operating in his area, who shall provide the connection for the service to the applicant within three working days subject to payment of installation charges and subscription fee:

Provided that installation charges and subscription fee shall not exceed maximum limit determined by the Authority.

(2) In the case of digital service, such licensee may also require payment for provision of relevant equipment, not exceeding the maximum limit determined by the Authority.

(3) A distribution service licensee shall maintain record of its subscribers that shall include name, addresses and contact number and provide the same to the Authority whenever so required.

16. **Complaint handling.**—(1) Distribution service licensee shall establish appropriate number of help/complaint desks within its area of operation and communicate its address and telephone numbers to the subscribers and concerned regional office of the Authority. The help/complaint desk shall be operational round the clock.

(2) A complaint received from a subscriber shall be redressed by the licensee immediately but not later than twenty four hours from the receipt of the complaint.

(3) Where a complaint has not been redressed within time mentioned above, a subscriber may complain to the concerned regional office of the Authority for any violation including defect in quality of service, overcharging,

disconnection/suspension of service without one month prior notice, excessive advertisements or any other violation of relevant laws or the code of conduct.

(4) Authorized officer may issue show cause notice to the licensee in order to investigate such complaint and may also summon the licensee to explain his position and thereafter pass such orders as deemed appropriate:

Provided that if violation of any provisions of the Ordinance, rules & regulations is proved, the an authorized officer may also impose fine not exceeding a maximum of one hundred thousand rupees for each violation of relevant laws after hearing the parties:

Provided further that where violation is of severe nature requiring imposition of greater penalty, the case shall be referred to the Chairman by the Council or the authorized officer, as the case may be, along with appropriate recommendation.

17. **Billing Procedure.**—(1) Subject to these regulations, distribution service licensee shall provide its subscriber the bill for the charges due and payable by such subscriber for each month, or for such other period as agreed with the subscriber.

(2) Every bill, as referred to in sub-regulation (1), shall indicate the telephone numbers of the help desk of the licensee and contain such other necessary detail including breakup of charges and services being provided.

(3) A subscriber shall be liable to pay such charges within ten working days from the date of receipt of bill.

(4) In the event, any discrepancy has been found in the bill, the same shall be brought to the notice of the licensee within five days from the receipt of bill.

(5) The licensee shall clarify or rectify the discrepancy reported by the subscriber within five working days.

18. **Disconnection of Service.**—(1) A distribution service licensee shall not disconnect its service to a subscriber except in following circumstances:

- i. A specific request in writing has been made by the subscriber in this regard; or

- ii. Subscriber had defaulted in payment of his dues for which one month prior notice was served to the subscriber:

Provided that a connection shall immediately be restored by the distribution service licensee on payment of outstanding dues by the subscriber.

19. **Transfer of Connection.**—(1) A subscriber may apply to the distribution service licensee for transfer of his connection to another premises within the licenced area of operation of the licensee.

(2) A distribution service licensee shall transfer such connection within three days on receipt of applicable charges.

PART - IV INSPECTION AND OPERATIONS

20. **Inspection and Operation.**—(1) An authorized officer or his nominee may physically inspect a distribution service station at any time and if any violation of the Ordinance, rules, regulations or licence terms and conditions is found, shall direct the operator to rectify the same within such time as may be reasonable for this purpose and may also seize the equipment being used in such violation.

(2) Where a licensee has been found involved in violation of the relevant laws, the regional officer incharge may, after hearing the licensee, impose a fine not exceeding one hundred thousand rupees:

Provided that where the officer is of the view that the violation is of severe nature, he may forward the case to the Council of Complaints or the Chairman through proper channel, along with appropriate recommendation.

(3) A licensee shall be served a prior show cause notice for violation before seizure of equipment and equipment so seized may be returned after deposit of such fine as may be imposed:

Provided that the equipment seized for being used for illegal operation or without having a valid licence shall be confiscated.

(4) The authorized officer shall have the following powers:

- i. to exercise the powers regarding inspection, search and seizure conferred under section 29 of the Ordinance;
- ii. to request the officers of Federal Government, Provincial Governments and Local Governments including the Capital Territory Police and the Provincial Police for their assistance in discharge of its functions under the provisions of the Ordinance and the rules and regulations made thereunder;
- iii. to file and defend Court cases and sign plaints, replies, comments including a criminal complaint under section 34 of the Ordinance for any violation of provisions of the Ordinance; and
- iv. to apply for issuance of warrants under section 33B of the Ordinance.

21. **Distribution of TV channels.**—A distribution service licensee shall distribute only those TV channels having valid licence from the Authority.

22. **Reports.**—(1) Every distribution service licensee shall submit a report to the Authority containing the following information.—

- (i) the number of total subscribers;
- (ii) subscription rates being charged for all types of services;
- (iii) number of subscribers receiving service in basic service tier; and
- (iv) number of subscribers receiving service in particular categories; and
- (v) a complete record of complaints received and remedial actions taken.

(2) Reports under sub-regulation (1) shall be submitted on quarterly basis or at such intervals as may be directed by the Authority.

PART – V SERVICE QUALITY STANDARDS

23. **Quality of Service.**—(1) The quality of signal shall be determined by transmission level, permissible attenuation level at receiving end, signal to noise ratio, modulation, frequency drift, and voltage levels, picture and sound quality etc.

(2) In case improper installation of cable or other equipment is detected, the operator shall correct the same immediately but not later than seventy two hours of detection of the same.

(3) A licensee shall facilitate the authorized officer of the Authority, or as the case may be, the Council, to visit its premises for the purpose of inspection.

24. **General standards for distribution.**—The distribution service operator shall comply with the general and specific quality standards as determined or adopted by the Authority from time to time.

PART-VI TYPE APPROVAL/NOC FOR IMPORT OF DESCRAMBLERS/DECODERS ETC.

25. **Distribution service de-scramblers and decoders.**—(1) The decoders, descramblers, Set Top Box (STB) or other accessories of the distribution network or those necessary for reception of electronic media shall be imported only after obtaining NOC/type approval from the Authority and payment of applicable fee.

(2) Any person desirous of importing decoders, Set top boxes, and other accessories shall apply to the Authority for permission on the application form specified for this purpose.

(3) The decoders, Set Top Boxes etc. shall comply with the specifications given under the terms and conditions of the licence or as determined by the Authority from time to time.

(4) The licensee shall not discriminate against any customer in sale of the equipment.

(5) All relevant record is to be maintained by the importer/licensee in this regard.

26. **Decoder Tariff.**—The licensee shall be allowed to charge from customers, such monthly subscription fee and cost of the decoder / STB , as specified by the Authority for decoders or set top boxes.

PART-VII
**TRANSFER OF LICENCE, CHANGE IN MANAGEMENT,
SHAREHOLDING, COMPETITION**

27. **Licence to be non-transferable.**—(1) A licensee, unless prior written permission of the Authority has been obtained, shall not.—

- (a) sell, transfer or assign any of the rights conferred by the licence;
- (b) transfer a majority of the shares in the firm (where licensee is a firm) or in the issued or paid up capital of the company (where licensee is a company);
- (c) transfer control of the company/firm to persons not being the original shareholders/partners of the company/firm at the time of grant of licence;
- (d) merge or amalgamate with any other company/person/firm;

Provided that transfer of a licence or change in management, shareholding or control of a licensee shall not be allowed before expiry of a minimum of half of the total validity period of the licence.

(2) The Authority, where it is satisfied that proposed transaction is likely to serve public interest and shall not result in media ownership concentration or create a monopoly and proposed shareholders/directors fulfill the eligibility criteria, may allow the same subject to payment of such fee as determined by the Authority from time to time.

28. **Fair Competition and exclusion of monopolies:**—(1) No person shall be entitled to benefit of any monopoly or exclusivity and the Authority shall ensure that open and fair competition is facilitated and the Authority may issue determinations and guidelines for this purpose from time to time for compliance by the licensees.

(2) A licensee shall not enter into any interconnect agreement with another licensee or otherwise divide the market into segments through mutual agreements or indulge in any unfair market practices.

29. **Up-gradation of a licence.**—The Authority or the Chairman, as the case may be, on an application from the licensee, may up-grade the licence to a higher category subject to following:

- i. satisfactory past performance of the licensee;
- ii. payment of up-gradation fee and all other outstanding dues including In-House CD channels fee;
- iii. technical capability of the licensee;
- iv. conversion from analogue to digital technology including conditional access system as per road map given by the Authority; and
- v. fulfillment of any other condition as may be prescribed from time to time:

Provided that up-gradation of a licence shall not be allowed where the same is likely to result in circumvention of any provision of the Ordinance, rule or regulations made thereunder.

30. Repeal and savings.—(1) The Pakistan Electronic Media Regulatory Authority Cable TV (Operations) Regulations 2002 and Pakistan Electronic Media Regulatory Authority Cable TV, hereinafter referred to as the said regulations, are hereby repealed.

(2) Notwithstanding anything contained in sub-regulation (1)—

- (a) any licence or permission granted or renewed under the said regulations which are not inconsistent with provisions of the Ordinance, the rules and regulations made thereunder shall be deemed to have been so granted or renewed under these regulations;
- (b) any fee, security deposit, fine and surcharge etc. chargeable under these regulations shall apply to such licence, permission or lease granted or renewed under the said regulations;
- (c) any application made for the grant of a licence and pending consideration under the said regulations, shall be deemed to have been so made and pending consideration under these regulations; and

- (d) the repeal shall not—
- (i) affect the previous operation of the said regulations or anything duly done or suffered thereunder except as aforesaid; or
 - (ii) affect any obligation or liability acquired, accrued or incurred under the said regulations; or
 - (iii) affect any penalty, forfeiture or punishment incurred in respect of any offence committed against the said regulations; or
 - (iv) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid.

[No. 1(9)/Secy./Gzt/2011.]

SOHAIL ASIF ALI KHAN,
Secretary to the Authority.