Advisory 18: Definition of Value Added Network Services (VANS)

October 2007

Summary

This Advisory is intended to clarify the meaning of Value Added Network Services (VANS), i.e. what services require a VANS licence before they can be lawfully provided.

Services which are regarded by ICASA as VANS

ICASA, in a letter to ISPA, has stated that the following are to be regarded as VANS for the purposes of the Telecommunications Act:

1. Internet access including by way of leased lines and dial-up access
2. Managed Data Network Services
3. Subletting of telecommunications facilities as per the Ministerial Determination as published in Government Gazette 26763 on 7 September 2004¹

Note: Only revenue derived from the provision of the above three VANS must be taken into account in determining annual licence fees and USF contributions.

4. Electronic mail (E-mail) services

This is regarded by ICASA as a VANS but may not, depending on the circumstances, require a VANS licence. According to the Authority a VANS licence is required only where the telecommunication facility over which the service is being provided is registered in the name of the person providing the e-mail service.

5. Web hosting services

This is regarded by ICASA as a VANS but may not, depending on the circumstances, require a VANS licence. According to the Authority a VANS licence is required only where the telecommunication facility over which the service is being provided is registered in the name of the person providing the web hosting service.

Services which are not regarded by ICASA as VANS

1. Internet Café’s / Wireless Hotspots (where confined to a single premises these do not require licensing and are not regarded as VANS²).
2. Virtual Internet Service Provision (VISP}s

¹ “In terms of section 40(4) of the [Telecommunications] Act, 1 February 2005 shall be the date from when a person who provides a value added network service shall be entitled to cede or assign the right to use, or to sublet or part with control or otherwise dispose of the telecommunications facilities used for the provision of the value added network service”

² See ICASA Wireless LAN Findings and Conclusions, Notice 2610 of 2003 in GG 25594
3. Domain name and security services

**Conclusion**

ISPA has been attempting to get clarity on these issues from ICASA for close to three years. Now that licences under the Telecommunications Act are set to disappear by July 2008, the position of the Authority is relevant only for the purposes of the calculation of annual licence fees and USF contributions, as well as the licence conversion process itself.