



# LICENSING FRAMEWORK FOR THE POSTAL SECTOR IN BOTSWANA

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Imagine the world without order  
Imagine Botswana without BOCRA

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## 1.0 Interpretation

In this Licensing Framework, unless the context otherwise requires;

**“Express and Courier Postal Services”** means postal services with value added delivery of addressed postal items directly to the addressee, either in terms of speed or extra services;

**“Insured Postal Item”** means a postal item insured against loss or damage in which event a compensation equal to the admitted value declared by the sender shall be paid by a Postal Operator offering these services to the sender;

**“P.O.Box”** means space capacity at a postal service point made available by the Public Postal Operator or a postal operator authorised under the Communications Regulatory Authority Act, 2012 (CRA Act) to provide this service to a postal customer, in which box the postal items addressed to the holder of the box under an assigned P.O number will be deposited;

**“Postal Address”** means an address in the form of a P.O.Box number provided by the Public Postal Operator, under which an addressee can collect his or her postal items at a postal service point;

**“Postal Item”** means any physical mail item conveyed through a postal network;

**“Postal Operator”** means a provider of postal services;

**“Postal Services”** means all services related to the process of collection, transport, sorting and delivery of postal items and includes courier services;

**“Public Postal Operator”** means a postal operator designated as such by the Minister under section 67 of the CRA Act;

**“Reserved Postal Services”** means that part of the universal postal services that are exclusively provided by the public postal operator as part of universal postal services;

**“Street Letter Box”** means any posting box placed at public roads or at postal service points with the purpose of the collection of postal items by the Public Postal Operator;

**“Universal Postal Services”** means that part of the postal services that is considered as a basic postal service in the common economic and social interest of the inhabitants of Botswana which services must be provided by the Public Postal Operator; and

**“Universal Postal Union (UPU)”** means a specialized agency of the United Nations (UN) that coordinates postal policies among member nations, in addition to the worldwide postal system.

## 2.0 Preamble

The recent wave of transformation that swept across the global postal sector has made it more critical than ever before for governments to put in place deliberate measures to reform their domestic postal markets.

The situation dictates that for the sustained growth of the postal sector, policy making, service provision and regulatory roles should be distinctly separated. In pursuit of this ideal, the Botswana government passed two key pieces of sector legislation in 2012 namely; The Communications Regulatory Authority Act, 2012, (No 19 of 2012) (the CRA Act) and Botswana Postal Services (Amendment) Act, 2012 (No 16 of 2012). The former established the Botswana Communications Regulatory Authority (BOCRA or the Authority) as a converged sector regulator comprising, Telecommunications, Internet and Information and Communications Technologies, Radio Communications, Broadcasting and Postal services, while the latter ended the monopoly and regulatory powers of the BotswanaPost.

It is in this regard that BOCRA has taken the regulatory powers of the postal sector from BotswanaPost. Therefore, there is a need for BOCRA to introduce regulatory instruments that will create a conducive environment for the development of the postal market and to liberalise the postal market. A licensing framework that allows ease of market entry and supports innovation for the provision of varied service offerings that meet the changing customer needs and expectations. In view thereof, the Authority has developed a licensing framework for the postal sector that will facilitate all these.

### 3.0 Introduction

Botswana Communications Regulatory Authority is charged with the mandate to supervise the postal services in Botswana as well as to ensure that, as far as practicable, there is provision of safe, reliable, efficient and affordable postal services throughout the country. In line with these, the Authority has developed a licensing framework for the Postal Sector as a regulatory tool to guide the licensing of postal operators and the provision of postal services across the country. This licensing framework is the first Postal Licensing Framework to be developed and implemented by the Authority since BOCRA assumed the duty to oversee the postal sector in 2013. However, postal operators were issued with a two-year interim licence prior to the development and implementation of this comprehensive licensing framework for the sector.

### 4.0 Objectives of the Licensing Framework

The Postal Licensing Framework is developed as a regulatory instrument to map out a clear licensing structure for the postal sector in accordance with the provisions of the CRA Act as well as to achieve the following:

- a) To promote market entry and competition, where appropriate, within the postal sector to ensure that customers have choices;
- b) To liberalise the postal market in order to improve market efficiency;
- c) To promote innovation within the postal sector as well as rollout of services to a wider populace; and
- d) To promote the transformation of the postal sector in line with best international practice.

### 5.0 Scope of Licensing Framework

This licensing framework focuses on the licensing of postal operators as defined by the CRA Act and the Universal Postal Union Convention. Postal Operators in this

regard means, all legal and commercial entities offering Collection, Transport, Sorting and Delivery of mail (or lesser parts of this mail-process) in the following categories:

- a) Addressed letter mail items up to 2kg; and
- b) Parcel mail items up to 20kg.

This implies that all letters and documents above 2 kg and parcels above 20 kg are outside the scope of postal regulation and therefore are not licensed by BOCRA.

## 6.0 Main Categories of Postal Services

In practice two main categories of postal services may be observed in all Universal Postal Union countries, which Botswana is a member to. These categories include the following:

- i. **Ordinary Mail Services:** mail services provided nation-wide under the same conditions for all citizens and customers and **delivered into the P.O. Box**. These services are only provided by the Designated Public Postal Operator.
- ii. **Value-added Mail Services:** mail services provided on a commercial basis on more limited locations in the country and **delivered directly to the addressee**. These services are mainly provided by commercial postal operators, popularly regarded as courier operators. However, the Designated Public Postal Operator may provide these services on a commercial basis.

## 7.0 Differentiation Between Ordinary/ Universal Postal Services and Value-Added Mail Services/ Courier Services

### 7.1 Ordinary Mail Services / Universal Postal Services

- More extended access to all citizens/ inhabitants nation wide
- Quality of service standards (speed) for domestic mail (D+1 to D+5)

- Quality of service standards (speed) for international mail (85% at D+5)
- No track and trace of items
- Delivery into P.O. Box
- No guarantees for delivery
- Insured and registered as value added (cost) category.

## 7.2 Value-added Mail Services/ Courier Services/ Commercial Postal Services

- Approach business entities and more limited focus on individual citizens nationwide.
- Commercial offer with specific conditions for segmented markets
- Time definite quality of service standards (speed)
- More extended range for time definite delivery (early morning, noon, afternoon, evening etc.)
- Track and trace of single items
- Insured services (standard)
- End to End control (Liability)
- Guarantees for service and delivery in contractual arrangements.

## 8.0 Reserved Postal Services

Reserved postal services are reserved for the Designated Public Postal Operator to cushion it against the cost of providing universal postal services to all inhabitants nationwide even to areas that are not commercially viable. Reserved postal services relate to the following parts of the universal postal services and are defined under Section 71 of the CRA Act as:

- a) The conveyance of domestic and cross-border items of correspondence of up to a weight of 100 grams and delivered through a P.O. Box;
- b) The conveyance of cross-border mail conveyed through the UPU mail exchange system;

- c) The provision of P.O. Boxes in communities with at least 5000 inhabitants;
- d) The issuing of stamps bearing the word “Botswana” or imprinted with the effigy of the Head of State of Botswana; and
- e) The placing of street letter boxes for mail collection.

## 9.0 Courier Services or Commercial Postal Services

Commercial postal services or courier services includes the following postal services:

- a) The conveyance of addressed mail not delivered through a P.O. Box but delivered directly to the addressee as a value-added service;
- b) The conveyance of advertising mail;
- c) The conveyance of incoming cross-border mail not to be delivered to a P.O. Box;
- d) The conveyance of postal packages and postal parcels;
- e) Express and courier postal services delivered directly to the addressee as a value-added service, supplemental including extra services such as bar-coding, tracking and tracing, insured terms and guarantees on delivery; and
- f) All other value-added postal services not being part of the universal postal services and the reserved postal services, such as pre-mailing services.

## 10.0 Licence Categories

The licensing framework will have two licence categories as follows:

Category	Licence Category
I	<b>Public Postal Operator Licence (PPO)</b>
II	<b>Commercial Postal Operator Licence (CPO)</b>



## 10.1 Public Postal Operator Licence (PPO)

The Public Postal Operator licence is issued to only one operator, designated by the Minister based on the recommendation made by BOCRA. The Public Postal Operator licence is issued in a form of a bid, where an invitation for expression of interest to be appointed as a Designated Public Postal Operator is issued by BOCRA and bids are evaluated then a recommendation is made to the Minister to designate such an operator who has proved the capability of providing universal postal services. The Designated Public Postal Operator has an obligation to ensure that universal postal services reach all citizens or inhabitants in Botswana irrespective of their geographical location and commercial viability. The PPO licence is valid for fifteen (15) years and may be renewed upon expiry of the 15-year licence period.

## 10.2 Commercial Postal Operator Licence (CPO)

Commercial Postal Operator licence is issued to operators providing postal services on commercial basis, that is, operators providing courier services or value-added services. Application for a Commercial Postal Operator licence is open and there is no limit on the number of operators to be licensed. Commercial postal operators or courier operators are free to choose their areas of presence or network coverage. The CPO licence is valid for ten (10) years and may be renewed upon expiry of the 10-year licence period.

## 11.0 Application Requirements for Commercial Postal Operator Licence

Applicants should furnish the Authority with the following information:

- A covering letter or application letter;
- Provide certified copy of certificate of incorporation or certificate of registration of the company;
- A complete ownership profile must be provided, listing all the Shareholders, their nationalities, their physical and postal addresses and their shareholding.

Provide certified copies of shareholding certificates and certified copies of national identity card or passport.

- Disclose the Directorship of the company.
- Declaration of interest on any regulated market by BOCRA, by the owners listed in the ownership profile;
- It must be indicated whether the company is a member of a group, and if so, give details of the ownership profile of the parent company;
- The nature of the company must be disclosed i.e. whether it is a private or public company incorporated in terms of the Companies Act.
- The company must have a registered office in Botswana. Provide details of Registered Office.
- Provide contact details of the Registered Office including the Physical address, Postal Address, Contact telephone and the corporate email address.
- Details of management team, that is, their Curriculum Vitae (CVs) setting out their relevant experience to the postal service;
- Organogram of the service management and administration

## **Business Plan**

Provide a 3-year business plan of your proposed project. The business plan must at a minimum show the following:

- A market analysis of the postal sector and what gaps have been identified. A clear strategy on how the applicant intends to fill identified gaps in the market;
- Services to offer and how such services will benefit the market;
- Description of aftersales support structures for customers, where applicable;
- Target market;
- Network coverage;
- Pricing for the services;
- 3-year financial projections of the Cash Flows and Income Statement;
- A statement of commitment indicating the date of commencement of operations; and;
- Proof of funding, in a form of a bank statement or a letter of intent from a recognised financial institution.

## 12.0 Licence Fees Structure

<b>Fees</b>	<b>Amount</b>	<b>Description</b>
Initial Licence Fee	BWP 20,000.00	Once off fee paid upon collection of licence
Renewal Licence Fee	BWP 20,000.00	For all operators
Annual Licence Fee	0.5 % of Annual Turnover for licensed services	Net Turnover (turnover minus fees payable to other licensed postal operators)
Contribution towards Universal Service Access Fund	1 % of Annual Turnover for all services	Gross Turnover (turnover for all services)

**Note. All licence fees attract Value Added Tax. The BOCRA reserves the right to change these fees from time to time, after consulting the relevant stakeholders.**