

- (c) provide the manner in which to verify compliance with HDGs and B-BBEE requirements.

3. APPLICATION OF 30% HDG EQUITY REQUIREMENTS (SECTION 9(2)(b) OF THE EC Act)

- (1) A Class licence is exempted from the application of the 30% HDG equity requirement;
- (2) Wholly owned state entities which are subject to the PFMA are exempted from the application of section 9 (2) (b) of the EC Act;
- (3) On any application, an Individual Licensee is required to provide the Authority with proof, by way of a certificate from a recognised and accredited verification agency, confirming its ownership equity held by the HDGs, which may not be lower than 30%;
- (4) The Authority may request any other supplementary information from an Individual Licensee which it deems necessary in order to verify the ownership equity held by HDGs at any given time during the licence period;
- (5) An Individual Licensee must ensure that its ownership equity held by HDGs is not lower than 30% at any given time during the licence period.
- (6) The 30% HDG equity requirement is applicable to all individual licensees, regardless of their size or income level.
- (7) The 30% HDGs equity requirement applies to all sorts of applications pertaining to individual licences, including new applications, transfers, renewals and amendments.
- (8) Publicly trading/listed licensees must submit an independent assurance report indicating compliance with HDGs equity requirement. The report must be submitted by Individual licensees as part of the annual compliance process.