#### THE UNITED REPUBLIC OF TANZANIA



## MINISTRY OF COMMUNICATION AND INFORMATION TECHNOLOGY

# TANZANIA COMMUNICATIONS REGULATORY AUTHORITY



Ref.No: EB.32/160/01/198

28th February, 2025

Managing Director, Kiss FM (T) Limited, 311 Makongoro Avenue, P. O. Box 1732, MWANZA.

### **DECISION ON COMPLIANCE ORDER**

(Made Pursuant to the Compliance Order issued to Kiss FM(T)Limited on 13<sup>th</sup> September 2024)

#### 1.0 INTRODUCTION

- 1.1 The Tanzania Communications Regulatory Authority (hereinafter referred to as "the Authority") on 01<sup>st</sup> September, 2020, issued a Regional Content Radio Broadcasting (Free to Air) Services Licence (hereinafter referred to as "the Licence") and assigned Radio Frequency Spectrum to Kiss FM Tanzania Limited (hereinafter referred to as "the Licensee") for provision of Radio broadcasting services.
- 1.2 The Licence issued requires the Licensee, among other things, when providing the licensed services, to comply with laws, regulations, and Licence conditions;
- 1.3 Section 15(1) of the Electronic and Postal Communications Act [Cap 306 R.E 2022] reading together with Regulation 10(1) of the Electronic and Postal Communications (Licensing) Regulations, 2018, require a licensee to pay Licence fees;
- 1.4 Section 21(h) of Cap 306 stipulates that repeated failure of a licensee to pay Licence fees as provided for under the law is a material breach that may lead to suspension or cancelation of the Licence under section 22(a) Cap 306.
- 1.5 The Authority's records reveal that, while providing the licensed services, and despite several reminders from the Authority, the licensee repeatedly failed to pay licensing fees amounting to Tanzanian Shillings One Hundred and Twelve Million Forty-Three Thousand Six Hundred Sixty (TZS. 112,043,660).

#### 2.0 THE COMPLIANCE ORDER

On the 13<sup>th</sup> September, 2024, the Authority issued a Compliance Order requiring the Licensee to submit written explanations and appear before the Authority on 26<sup>th</sup> September, 2024 at 10:30 a.m. at the Authority's Lake Zone Offices to show cause as to why legal and regulatory measures should not be taken against Kiss FM Tanzania Limited for failure to pay Regulatory fees amounting to Tanzanian Shillings One Hundred and Twelve Million Forty-Three Thousand Six Hundred Sixty (TZS 112,043,660) contrary to the requirement of section 15(1) Cap 306 read together with Regulation 10(1) of the Electronic and Postal Communications (Licensing) Regulations, 2018.

#### 3.0 THE HEARING

The Licensee submitted written defence and appeared before the Authority for hearing on 27<sup>th</sup> September, 2024 represented by Mr. Steven Dialo - Director, Mr. Kiama Karinge - Technical Manager, Mr. Paul Kilagula - Accountant and Ms. Beatrice Rabash - Chief Editor. The Licensee submitted the following in defence:

- 3.1 The Licensee admitted to have repeatedly failed to pay regulatory fees amounting to Tanzanian Shillings One Hundred and Twelve Million Forty-Three Thousand Six Hundred Sixty (TZS 112,043,660).
  - 3.2 The Licensee further submitted that, their failure was attributed by operational challenges as their systems were outdated resulting into high operation costs. Also, emerging technologies have affected broadly the broadcasting market leading into non-profit.
- 3.3 In July,2023, the Licensee committed to the Authority to settle the outstanding regulatory fees in a period of three (3) years starting from July 2023 to June 2026. According to their commitment plan, the Licensee was supposed to pay the outstanding regulatory fees in instalments in amount of TZS 2,350,000 per month. As of September, 2024 the Licensee has paid a total of TZS 14,900,000.
- 3.4 When interrogated by the Authority, the Licensee admitted not to have honoured their commitment made on July 2023 and did not notify the Authority on the reasons for failure.

- 3.5 The Licensee committed to meet his financial obligations and make all payments timely, reflecting their dedication to regulatory compliance over the years. The Licensee submitted their payment schedule of the regulatory fees for the years 2024/2025 and 2025/2026 and committed to comply.
- 3.6 The Licensee further stated that, they have undertaken several initiatives to enhance cash flow and secure the necessary funds to meet regulatory obligations. The initiatives include disposing some of their asserts such as high-capacity generators, enhancing their content that will improve quality and attract more advertisements and boost their revenue. Further to that, they are undertaking strategic consultancy to streamline their operation and refine their long-term business strategies that will ensure sustainable growth.
- 3.7 Responding as to why shouldn't they consider downgrading their Licence from regional to district so as to afford to pay Licence fees, the Licensee submitted that downgrading their Licence to district level will make them loose some of their clients because Kiss FM Radio has clients in all licensed regions.
  - 3.8 In their closing submission, the Licensee requested the Authority not to take legal action against the Licensee as they are still committed to settle the outstanding regulatory fees and continue to provide valuable public service. The Licensee requested the Authority to consider the fact that:
    - 3.8.1 Revoking its Licence would disrupt the information ecosystem and affect public trust especially in urban areas and in the Lake Zone region where it may be the primary source of reliable information for many.
    - 3.8.2 Revoking Kiss FM's License could deprive citizens of vital election-related information, debates, and civic education, which are essential for ensuring a fair and informed electoral process.
    - 3.8.3 Since the station provides employment and support local businesses through advertising and content production, revoking the Licence could have ripple effects on the economy, particularly in the Lake Zone, and harm businesses that rely on the station for advertising.

- 3.8.4 Shutting down a long-established station could be perceived as an attack on media freedom, limiting the diversity of viewpoints and undermining the free flow of information, which is vital for a democratic society, especially during election periods.
- 3.8.5 Because historically Kiss FM has played a significant role in informing the public on key national events and fostering national identity, revoking its Licence would disrupt a valuable institution that has contributed to the economy and national dialogue over many years.

#### 4.0 CONSIDERATION OF THE LICENSEE'S DEFENCE

Having heard the Licensee's oral submissions and read the written defence, the Authority had the following observations:

- 4.1 The Authority notes the Licensee's admission to have repeatedly failed to pay outstanding regulatory fees. However, the Authority further notes that, the Licensee has made a payment of Tanzania Shillings Sixteen Million Five Hundred Eighty-Five Thousand (TZS 16,585,000).
- 4.2 Regarding the Licensee's defence that, their failure was attributed by operational challenges as their systems were outdated resulting into high operation costs, as well as emerging technologies that have affected the broadcasting market, it is the Authority's view that handling operational challenges and other business dynamics is part and parcel of the Licensee's obligations based on their technical and financial capabilities which the Authority believes that the licensee possesses. Therefore, the Licensee's defence in this case is baseless.
- 4.3 The Licensee's submission that they are commitment to meeting their financial obligations and to make all payments timely as per their submitted payment schedule is doubtful. This is because the Licensee has previously made similar commitment but did not honour. For instance, in July, 2023, the Licensee committed to the Authority to settle the outstanding regulatory fees in a period of three (3) years starting from July 2023 to June 2026 but failed to pay the promised instalment.

- 4.4 Regarding the Licensee's submission that, they have undertaken several initiatives to enhance cash flow and secure the necessary funds to meet regulatory obligations, such initiatives are noted but do not appear in the eyes of the Authority to be an immediate solution to pay the current outstanding regulatory fees.
- 4.5 While the Licensee defended the idea of continuing with the regional Licence instead of downgrading to district market segment, it is the Authority's opinion that the accumulated outstanding fees is a result of operating in a wider market segment that attracts high operational costs with minimal revenue. Therefore, it is prudent for the Licensee to reconsider their scope of operation to become efficient.
- 4.6 The Authority takes cognizance of the possible impact in case the Licensee is suspended from providing the licensed services as stated in their final submission. However, the Authority wishes to highlight that, provision of licensed services as a key obligation of the Licensee must be done in compliance to the Licence conditions as well as the law and as such no matter how good the services of the Licensee are, without complying to the Licence conditions is futile.

#### 5.0 DECISION

- 5.1 Having considered the Licensee's defence and acknowledgement regarding their repeated failure to pay regulatory fees, the Authority finds the Licensee to have breached the law and Licence conditions; and
- 5.2 Considering the fact that the Licensee, after the hearing and before the date for this decision, has made payment of Tanzania Shillings Sixteen Million Five Hundred Eighty-Five Thousand (TZS 16,585,000) hence reducing the outstanding regulatory fess to Tanzania Shillings Ninety-Five Million Four Hundred Fifty-Eight Thousand Six Hundred Sixty (TZS. 95,458,660).

NOWTHEREFORE, that having considered the licensee's defence, the Authority still finds the licensee being non-compliant as clearly explained in 4.0. As such, by virtual of Section 114 of the Electronic and Postal Communications Act [Cap 306 R.E.2022] and Section 48 (2) and (3) of the Tanzania Communications Regulatory Authority Act [Cap 172] hereby orders Kiss FM Tanzania Limited to:

 Pay, in ninety (90) days from the date of this decision, unpaid regulatory fees in the tune of Tanzania Shillings Ninety-Five Million Four Hundred Fifty-Eight Thousand Six Hundred Sixty (TZS. 95,458,660); and 2) Failure by Kiss FM Tanzania Limited to comply with the first order of this decision, the Licence issued to Kiss FM Tanzania Limited will be suspended.

**TAKE NOTICE** that, should Kiss FM Tanzania Limited fail, refuse or neglect to comply with this order, the Authority shall proceed to take further stern legal actions that may include suspension, or cancellation of Licence and other measures to recover the outstanding fees.

This Order is issued on the .....day of February, 2025

Digitally Signed By JABIRI KUWE BAKARI Fri Feb 28 22:46:32 EAT 2025

## Dr. Jabiri K. Bakari DIRECTOR GENERAL

This Compliance Order Decision is served upon and received by KISS FM TANZANIA LIMITED on this...day of March, 2025.

Name:

MENALDA MWARABU

Signature: M

Designation: ASSISTANT HR MANAGER

Official Stamp)

(This Compliance Order Decision is issued in duplicate. Sign both copies and retain your copy while the other copy is to be returned to the Authority to authenticate due service of the Order)