

The Secretary to Parliament
Workstation No. 23 – 3rd Floor
90 Plein Street
Cape Town
8001

24 May 2006

Dear Sir / Madam

We acknowledge receipt of the proposed amendments of Sections 2, 40, 51 and 62 of Act 70 of 2002 on 24 March 2006. Whilst we welcome the proposed amendments to the Act, we remain concerned with the implementation in accordance with the proposed amendments, which is discussed later. The following retailers are jointly responding to the proposed amendments to the Act; Ackermans, Pep Stores, Shoprite, Glocell, Woolworths and Edcon (The Retail Group).

The retail groups are seeking clarity on how the following would be addressed and or executed given the challenges that retailers could in obtaining valid data and therefore be compliant:

1. Address Verification

Clear guidelines are required in terms of what will be considered as a valid address, especially for subscribers living in rural areas, informal settlements and international travellers whereby there is limited means to prove a physical address. Capturing two of three proposed addresses should be considered.

2. Liability

To what extent are retailers and or mobile operators held liable for fraudulent identity documents. For example, an identity document will bear a photo of the subscriber but it is a fraudulent ID because the photo was changed. The address given is incorrect. In terms of the Act the Activation Agent verified the person to the ID, noted the relevant information and the transaction is complete. The Agent acted in good faith. However, all the information is incorrect. Again, more clear guidance is required in instances of this nature and an understanding of who will be liable.

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3. Fraudulent Activity

Clarity is required on the process when any fraudulent activity is identified. An understanding of the expectations from retailers and mobile operators is necessary.

4. Recording of the IMEI, MSISDN Numbers

Why is it necessary to record both the IMEI and MSISDN numbers, given in some instances either a sim-card or a cellular phone will be purchased. In a number of instances a phone is acquired from another country or an overseas traveller travelling locally needs a sim-card only.

5. Identity Document

What constitutes a valid ID, i.e. ID, Passport (local and international), Temporary ID, Driver's licence?

6. Registration of the existing customer base

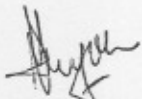
It is the retailer's opinion that to register a potential of 20 to 30 million existing subscribers within one year is a futile exercise. None of the formal channels have an infrastructure which could support an initiative of this nature. Building one for a limited period is expensive. Therefore we suggest that at least a three year period to register existing subscribers should be considered.

The current retail group does not represent all retailers but majority of the retailers share similar concerns. As a retail group we believe that both retailers and mobile operators need to form as a single group to ensure consistency in the decision making process to implement in terms of the Act and solution that meet the requirements of all parties.

The contents of this letter was addressed to all Mobile Operators, and copied to the Department of Justice, for information. .

Thank you.

Yours faithfully



Desmond Udayan

Strategic Development Executive
and representing the Retail Group