

# EXECUTIVE COUNCIL

## PUBLIC

**Title:** To agree the fee for a VSAT Connectivity Broadband (VBC) Licence and the revised fee for a VSAT licence

**Paper Number:** 120-25

**Date:** 24 June 2025

**Responsible Director:** Simon Young, Attorney General

**Report Author:** Chloe Freeman, Communications Regulator

**Portfolio Holder:** Roger Spink MLA

**Reason for paper:** This paper is submitted to Executive Council:

For functional decision

**Publication:** Yes with redactions as highlighted

**Reason for Redactions:**

*Under Executive Council Standing Order 23(2), Executive Council must have regard to the categories of exempt information in Schedule 3 to the Committees (Public Access) Ordinance when determining if information should be withheld*

*The category which is potentially relevant to this paper is section 12 of Schedule 3 to the Committees (Public Access) Ordinance.*

Para 9.2: Information about legal advice

**Previous papers:** 41/25, 100/25

**List of Documents:** Communications (Fees) (Amendment) Regulations 2025

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### 1. Recommendations

Executive Council resolved to approve the following recommendations and noted there is a Risk to the Falkland Islands Government as per addition to recommendation b:

Honourable Members are recommended to:

- (a) approve the attached Communications (Fees) (Amendment) Regulations 2025 to give effect to:
  - (i) the policy decision made on 25 February, under paper 41/25, to introduce an annual licence fee for providers of VSAT services of £1,800; and
  - (ii) the policy decision made on 10 June, under paper 100/25, to reduce the annual VSAT licence fee from £5,400 to £180;
- (b) agree that the Regulations should come into effect on publication in the Gazette; **noting there is a legal risk to the Falkland Islands Government; and**
- (c) authorise the Attorney General to correct any typographical and non-substantive drafting errors found in the draft Regulations before they are made.

## **2. Additional Budgetary Implications**

These fees will raise funds for the regulatory budget dependent on the number of applications for VSAT licences. A VBC licence may increase the number of applicants requesting VSAT licences which contributes to the regulatory budget.

## **3. Executive Summary**

- 3.1 In February 2025 (41/25), ExCo approved “the setting of a licence fee for providers of VSAT services, of £1800 per annum”. In June 2025, (100/25) ExCo approved “the amendment to the licence fee of £180 a year for a VSAT licence as set out in the Communications (Fees) Regulations 2019 subject to formal amendment of the Fees Regulations at ExCo and a date being set for commencement.”
- 3.2 ExCo is now asked to approve the amendment of the Communications (Fees) Regulations 2019. The amendments change the fee for a VSAT licence to £180 from £5400 and introduce an £1800 fee for providers of VSAT services. A form of electronic communications licence has been designed for providers of VSAT services to apply for (VBC licence). A licence cannot be issued until the fee has been introduced.
- 3.3 In response to the recommendations of the Select Committee on the [Starlink] Petition, detailed investigations into how Starlink could offer services legitimately to customers on the Falkland Islands has been considered, and the attached Regulations form part of the solution to enable this to occur.

## **4. Background**

- 4.1 The Islands Plan 2022-2026 provides that “we will seek to improve communications for the whole community”. It further commits, during the lifetime of the current Legislative Assembly, to “Undertake detailed, data-driven work to assess and improve whole-island communications requirements for the future.” The work of the Communications Regulator supports these aims via the electronic communications objectives and regulatory principles in the Communications Ordinance 2017.

4.2 In 2024, a Select Committee was established after a petition with over 2000 signatures requested for the annual VSAT licence fee to be reduced and for Starlink to be licensed to operate in the Falkland Islands. In October 2024, the Select Committee's recommendations were accepted by the Legislative Assembly. The recommendations were as follows:

- That consideration should be given by the Falklands Island Government to the petitioners' request to reduce the current VSAT licence fee of £5,400 a year as set out in the Communications (Fees) Regulations 2019 to a provisional fee of £180 a year on or by 1st February 2025.
- That the 2016 FIG policy principles, which limit the circumstances in which VSAT licences are granted and require that the VSAT licence fee is set to discourage self-provision, should be reviewed as soon as reasonably practicable and, in any event, not later than April 2025.
- The Committee recommends that, as part of the policy review, consideration be given as to whether there should be a differential licence fee for businesses and individuals.
- That until such time as the 2016 policy principles have been reviewed, the remaining provisions of the policy principles remain unchanged. This means that any applicant for a VSAT licence needs to demonstrate that the current exclusively licensed arrangements through Sure SA are not adequate.
- That the Select Committee requests a written response be submitted to the Legislative Assembly by the Executive Council (the Governor in Council) within six months.
- That any application made by Starlink (or any other provider) to the Communications Regulator for regulatory approval will be dealt with in accordance with the Communications Ordinance and related policies, and the Committee requests the Communications Regulator to continue discussions with Starlink on this point.

## **5. Fee for a VSAT Broadband Connectivity (VBC) Licence**

5.1 As per the recommendations, the Regulator continued to discuss regulatory approval with Starlink. A VBC licence; an electronic communications licence under Part 4 of the Communications Ordinance 2017, which is believed to be compatible with Sure's exclusive licence under Part 7 of the Communications Ordinance 2017, is the proposed regulatory solution. Starlink applied for a VBC licence on 8 March 2025 to provide electronic communications services in the Falkland Islands.

5.2 Telecommunication providers are required to establish a formal licensing arrangement with the Communications Regulator in order to operate lawfully in the Falkland Islands and offer local services to customers who are also licenced as per section 21(1) of the Communications Ordinance. The Regulator is responsible for granting communications licences under Part 4, section 33(1) of the Communications Ordinance. Exclusive licences are granted by the Governor under Part 7 of the Communications Ordinance. Since the establishment of the legislation, the only electronic communications licence granted has been an [exclusive licence to Sure](#) in 2017.

- 5.3 Sure's licence excludes 'personal use of VSAT equipment' from their exclusivity. Allowing customers in the Falkland Islands to access services from Starlink relies on this exemption. Individuals may apply for a 'VSAT licence' for personal use. This is a radiocommunications licence, issued by the Regulator under Part 6 of the Communications Ordinance.
- 5.4 Currently, there is only one electronic communications licence, and that is a Part 7 licence to Sure South Atlantic Limited, granted by the Governor due to the exclusivity provisions. Starlink is not seeking any element of exclusivity and requires an electronic communications licence issued by the Communications Regulator under Part 4.
- 5.5 Any Part 4 licence issued must be compatible with the Part 7 licence granted to Sure as set out in section 33(5) of the Communications Ordinance. The Regulator is only able to issue a licence to Starlink, insofar as it is compatible with the exclusive licence, it is therefore dependent on the 'personal use of VSAT' exemption.
- 5.6 The Regulator is minded to introduce a new form of licence to allow for this called the 'VSAT Broadband Connectivity (VBC) Licence'. A VBC licence is a Part 4 licence that is compatible with Sure's Part 7 exclusive licence. A VBC licence allows a provider of telecommunications services (for example Starlink) to provide VSAT communications services only to those consumers with VSAT licences.
- 5.7 The Falkland Islands Government has approved the setting of a reasonable and proportionate licence fee for providers of VSAT services, of £1800 per annum in February 2025 (ExCo report 41/25). The Communications Regulator expects this fee to be acceptable to operators who may apply for VBC licences. The Falkland Islands is a very small market (with only 3,500 residents) and so licence fees are set to reflect this in order to allow providers to offer services here to the limited user base.
- 5.8 In order for a fee to be charged for the VBC licence, the Communications (Fees) Regulations 2019 need to be amended.
- 5.9 If ExCo approves the amendment of the Communications (Fees) Regulations 2019 to introduce an annual fee of £1800 for a VSAT Broadband Connectivity (VBC) Licence, the Regulator can progress licencing discussions with Starlink and any other potential providers.

## **6. Change to the VSAT Licence fee**

- 6.1 As set out in para 4.2, the Select Committee on the Petition recommended that Executive Council give consideration to the petitioners' request to reduce the VSAT licence fee from £5400 per annum to £180 per annum.
- 6.2 Residents and businesses in the Falkland Islands must apply for a VSAT licence if they want "personal use of a VSAT equipment". This is a condition of [Sure's licence](#). The petitioners sought a reduction to the VSAT licence fee in order to make the services available from Starlink more accessible.
- 6.3 In February 2025 (ExCo report 41/25), Executive Council committed to considering the options for amendment to the licence fee for a VSAT licence as set out in the

Communications (Fees) Regulations 2019 and noted the Select Committee recommendation was for a fee of £180 for a VSAT licence fee.

- 6.4 Following consultation (further detailed in para 7.1), in June 2025 (ExCo report 100/25), the Executive Council approved “the amendment to the licence fee of £180 a year for a VSAT licence as set out in the Communications (Fees) Regulations 2019”.
- 6.5 If ExCo approves the amendment of the Communications (Fees) Regulations 2019, the fee for a VSAT licence will be reduced from £5400 to £180. This, alongside the work detailed in section 5 of this report, will allow the Communications Regulator to resume issuing VSAT licences to businesses and residents in the Falkland Islands.
- 6.6 It is recommended that the amending Regulations come into force on publication in the Gazette (in relation to both the VSAT fee reduction and the VBC fee introduction), ie the earliest date on which the fees can be given effect, to allow both types of licence to be issued as soon as all other regulatory arrangements are in place.

## **7. Consultation**

- 7.1 There has been no consultation on the fee level for a VBC licence. There has been consultation with the public, Sure and the Communications Regulator on lowering the VSAT licence fee. More information can be found in ExCo report 100/25.
- 7.2 As required under section 15 of the Communications Ordinance, the Regulator is currently consulting with Sure, the Falkland Islands Government and the Starlink Petition Group ahead of deciding whether to grant Starlink a VBC licence.

## **8. Resource Implications**

- 8.1 Financial Implications: The fee for a VBC licence will raise a small amount annually for the regulatory budget. It may also prompt an increase in applicants for VSAT licences which also contribute to the regulator budget. Depending on how many VSAT licences are applied for, this could generate revenue for the regulatory budget.
- 8.2 Human Resource Implications: There are no human resource implications arising from this report.
- 8.3 Other Resource Implications: If a VBC licence is issued, there is likely to be an initial surge in VSAT licence applications. It is proposed that this will be managed within the existing resources of the Communications Regulator and the Legal and Telecoms Officer. Additional regulatory work would also arise if another provider were licenced.

## **9. Legal and Legislative Implications**

- 9.1 The proposed new and amended fee requires amendments to be made to the Communications (Fees) Regulations 2019. The amending Regulations will come into force on publication in the *Gazette*.

9.2 **REDACTED.**

## **10. Equalities and Human Rights Implications**

- 10.1 There are no equalities or human rights implications from the introduction of this fee for a VBC licence or reducing the VSAT licence fee.

## **11. Environmental & Sustainability Implications**

- 11.1 There are no environmental or human rights implications.

## **12. Camp Implications**

- 12.1 If a VBC Licence is granted there should be better availability of electronic communications services for Camp customers. VSAT licences will be more affordable for Camp customers than at present.

## **13. Significant Risks**

- 13.1 There is a potential risk of legal challenge as set out above in the legal implications.

## **14. Publicity**

- 14.1 The changes to the Communications (Fees) Regulations 2019 allow for a fee to be charged for granting a VBC licence to telecommunication providers. Information about this licence will be published on the Communications Regulator's website.
- 14.2 Changes to the VSAT licence fee will be advertised to members of the public. Information about this licence will be published on the Communication Regulator's website.

## **15. Reasons for Recommending Preferred Option**

- 15.1 A fee is needed for a VBC licence to be issued under Part 4 of the Communications Ordinance, in order to proceed with considering Starlink's request for regulatory approval and regularising consumer's access to Starlink.
- 15.2 Executive Council has approved reducing the VSAT licence fee from £5400 to £180. Approving the Communications (Amendment) Regulations 2025 will allow this change to come into force and enable the Communications Regulator to issue VSAT licences again.



## **FALKLAND ISLANDS**

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### **Communications (Fees) (Amendment) Regulations 2025**

**(No.                      OF 2025)**

#### **ARRANGEMENT OF PROVISIONS**

##### **Regulation**

1. Title
2. Commencement
3. Amendment of Communications (Fees) Regulations 2019
4. Regulation 3 amended (interpretation)
5. Regulation 4 amended (general provisions)
6. Regulation 5 amended (fees for radiocommunications licences)
7. New regulation 6 inserted (fees for electronic communications licence)
8. Schedule amended
9. New Schedule 2 inserted



## FALKLAND ISLANDS

### Communications (Fees) (Amendment) Regulations 2025

(made: 2025)  
(commencement: on publication)  
(published: 2025)

I make these Regulations under section 74 of the Communications Ordinance 2017 on the advice of Executive Council.

#### 1. Title

These Regulations are the Communications (Fees) (Amendment) Regulations 2025.

#### 2. Commencement

These Regulations come into force on publication in the *Gazette*.

#### 3. Amendment of Communications (Fees) Regulations 2019

These Regulations amend the Communications (Fees) Regulations 2019.

#### 4. Regulation 3 amended (interpretation)

In regulation 3 —

(a) insert in its correct alphabetical order —

“**VSAT Broadband Connectivity licence**” means a licence granted under section 33 of the Ordinance to a provider of electronic communications services for the provision of broadband connectivity to consumers holding a VSAT licence;”

(b) in the definition of “VSAT licence” replace “s55A” with “section 55A of the Ordinance”.

#### 5. Regulation 4 amended (general provisions)

In regulation 4(c) replace “Schedule to these Regulations” with “Schedules”.



## **6. Regulation 5 amended (fees for radiocommunications licences)**

In regulation 5 replace —

- (a) “for application, renewal or variation of” with “payable in connection with”; and
- (b) “the Schedule” with “Schedule 1”.

## **7. New regulation 6 inserted (fees for electronic communications licences)**

After regulation 5, insert —

### **“6. Fees for electronic communications licences**

The fees payable in connection with an electronic communications licence issued under section 33 of the Ordinance are those set out in Schedule 2.”.

## **8. Schedule amended**

- (1) Replace the Schedule heading with —

### **“SCHEDULE 1 - FEES FOR RADIOCOMMUNICATIONS LICENCES**

- (2) In the Table to the Schedule, under item “**VSAT licence**” replace “£5,400” with “£180”.

## **9. New Schedule 2 inserted**

After Schedule 1 add Schedule 2 as follows —

### **“SCHEDULE 2 – FEES FOR ELECTRONIC COMMUNICATIONS LICENCES**

*regulation 6*

The fee specified below for an electronic communications licence is payable to the Regulator:

<b>VSAT Broadband Connectivity licence</b>	
Every 12 months from date of issue	<i>£1,800”.</i>

Made 2025

A. M. BLAKE C.M.G.,  
*Governor.*

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### **EXPLANATORY NOTE** *(not forming part of the regulations)*

These Regulations amend the Communications (Fees) Regulations 2019.

The 2019 Regulations currently prescribe the fees for radiocommunications licences issued under Part 6 of the Communications Ordinance 2017.

The amendment will introduce a fee for one type of licence to be issued under Part 4 of the Ordinance; electronic communications licences (there are currently no other types of licence issued under Part 4).

The type of licence for which a fee is to be provided is a VSAT Broadband Connectivity Licence (VBC licence). A VBC licence will be issued by the Regulator to an electronic communications operator, enabling them to provide electronic communications services in the Falkland Islands to persons holding a VSAT licence. A VSAT licence is issued under Part 6 of the Ordinance, and enables a person to use VSAT (very small aperture terminal) communications equipment to establish and use their own radiocommunications station for conveying messages, sound or visual images.

The fee payable for the VBC licence has been determined to be £1,800 and this has to be set in regulations. These Amendment Regulations will insert Schedule 2 in the Communications (Fees) Regulations 2019 in which the fee to be charged for the section 33 licence is set.

*Regulations 1, 2 and 3* are preliminary provisions. Commencement is on publication in the *Gazette*.

*Regulation 4* amends regulation 3 to insert a definition of “VSAT Broadband Connectivity licence”.

*Regulations 5 and 6* make minor consequential amendments to regulations 4 and 5 required as a result of the insertion of Schedule 2.

*Regulation 7* inserts a new regulation 6 to provide for a fee to be levied for the new VSAT Broadband Connectivity licence. This electronic communications licence is issued under Part 4 of the Ordinance.

*Regulation 8* renames the current Schedule as “Schedule 1”.

*Regulation 9* introduces Schedule 2 in which the fee for the electronic communications licence is set at £1,800 per year.