

## SCHEDULES

### SCHEDULE 2

Sections 5 and 88.

#### RESTRICTIONS ON THE HOLDING OF LICENCES

##### PART I

##### GENERAL

1 (1) In this Schedule—

“advertising agency” means an individual or a body corporate who carries on business as an advertising agent (whether alone or in partnership) or has control over any body corporate which carries on business as an advertising agent, and any reference to an advertising agency includes a reference to an individual who—

- (a) is a director or officer of any body corporate which carries on such a business, or
- (b) is employed by any person who carries on such a business;

“associate”—

- (a) in relation to a body corporate, means a director of that body corporate or a body corporate which is a member of the same group as that body corporate, and
- (b) in relation to an individual, shall be construed in accordance with sub-paragraph (2);

“control”—

- (a) in relation to a body corporate, shall be construed in accordance with sub-paragraph (3), and
- (b) in relation to any body other than a body corporate, means the power of a person to secure, by virtue of the rules regulating that or any other body, that the affairs of the first-mentioned body are conducted in accordance with the wishes of that person;

“equity share capital” has the same meaning as in the Companies Act 1985;

“local authority”—

- (a) in relation to England and Wales, means any of the following, that is to say, the council of a county, district or London borough, the Common Council of the City of London and the Council of the Isles of Scilly;
- (b) in relation to Scotland, means a regional, islands or district council; and
- (c) in relation to Northern Ireland, means a district council;

“local delivery licence” has the meaning given by section 72(5), and “local delivery service” has the meaning given by section 72(1);

“participant”, in relation to a body corporate, means a person who holds or is beneficially entitled to shares in that body or who possesses voting power in that body.

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(2) For the purpose of determining the persons who are an individual's associates for the purposes of this Schedule, the following persons shall be regarded as associates of each other, namely—

- (a) any individual and that individual's husband or wife and any relative, or husband or wife of a relative, of that individual or of that individual's husband or wife;
- (b) any individual and any body corporate of which that individual is a director;
- (c) any person in his capacity as trustee of a settlement and the settlor or grantor and any person associated with the settlor or grantor;
- (d) persons carrying on business in partnership and the husband or wife and relatives of any of them;
- (e) any two or more persons acting together to secure or exercise control of a body corporate or other association or to secure control of any enterprise or assets;

and in this sub-paragraph "relative" means a brother, sister, uncle, aunt, nephew, niece, lineal ancestor or descendant (the stepchild or illegitimate child of any person, or anyone adopted by a person, whether legally or otherwise, as his child, being regarded as a relative or taken into account to trace a relationship in the same way as that person's child); and references to a wife or husband shall include a former wife or husband and a reputed wife or husband.

(3) For the purposes of this Schedule a person controls a body corporate if—

- (a) he has a controlling interest in the body, or
- (b) (although not having such an interest in the body) he is able, by virtue of the holding of shares or the possession of voting power in or in relation to the body or any other body corporate, to secure that the affairs of the body are conducted in accordance with his wishes, or
- (c) he has the power, by virtue of any powers conferred by the articles of association or other document regulating the body or any other body corporate, to secure that the affairs of the body are so conducted;

and for this purpose a person has a controlling interest in a body corporate if he holds, or is beneficially entitled to, more than 50 per cent. of the equity share capital in that body, or possesses more than 50 per cent. of the voting power in it.

(4) It is hereby declared that a person may be regarded as controlling a body corporate by virtue of paragraph (b) of sub-paragraph (3) despite the fact that—

- (a) he does not have a controlling interest in any such other body corporate as is mentioned in that paragraph, or
- (b) any such other body corporate does not have a controlling interest in the body in question, or
- (c) he and any such other body corporate together do not have a controlling interest in that body.

(5) For the purposes of any provision of this Schedule which refers to a body controlled by two or more persons or bodies of any description taken together, the persons or bodies in question shall not be regarded as controlling the body by virtue of paragraph (b) of sub-paragraph (3) unless they are acting together in concert.

(6) In this Schedule any reference to a participant with more than a 5 per cent. or (as the case may be) 20 per cent. interest in a body corporate is a reference to a person who—

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- (a) holds or is beneficially entitled to more than 5 or (as the case may be) 20 per cent. of the shares in that body, or
  - (b) possesses more than 5 or (as the case may be) 20 per cent. of the voting power in that body;and, where any such reference has been amended by an order under this Schedule varying the percentage in question, this sub-paragraph shall have effect in relation to it subject to the necessary modifications.
- 2 (1) Any reference in paragraph 1 above to a person—
  - (a) holding or being entitled to shares, or any amount of the shares or equity share capital, in a body corporate, or
  - (b) possessing voting power, or any amount of the voting power, in a body corporate,is a reference to his doing so, or being so entitled, whether alone or jointly with one or more other persons and whether directly or through one or more nominees.
- (2) For the purposes of that paragraph two bodies corporate shall be treated as members of the same group if—
  - (a) one of them is a body corporate of which the other is a subsidiary, or
  - (b) both of them are subsidiaries of another body corporate.
- (3) In sub-paragraph (2) “subsidiary” has the meaning given by section 736 of the Companies Act 1985.
- 3 For the purposes of this Schedule the following persons are connected with each other in relation to a particular licence, namely—
  - (a) the licence holder;
  - (b) a person who controls the licence holder;
  - (c) an associate of the licence holder or of a person falling within sub-paragraph (b); and
  - (d) a body which is controlled by the licence holder or by an associate of the licence holder.
- 4 An order under this Schedule shall not be made by the Secretary of State unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

## PART II

### DISQUALIFICATION FOR HOLDING LICENCES

#### *General disqualification of non-EEC nationals and bodies having political connections*

- 1 (1) Subject to sub-paragraph (2), the following persons are disqualified persons in relation to a licence granted by the Commission or the Authority—
  - (a) an individual who is neither—
    - (i) a national of a member State who is ordinarily resident within the European Economic Community, nor
    - (ii) ordinarily resident in the United Kingdom, the Isle of Man or the Channel Islands;
  - (b) a body corporate which is neither—

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- (i) a body formed under the law of a member State which has its registered or head office or principal place of business within the European Economic Community, nor
  - (ii) a body incorporated under the law of the Isle of Man or the Channel Islands;
  - (c) a local authority;
  - (d) a body whose objects are wholly or mainly of a political nature;
  - (e) a body affiliated to a body falling within paragraph (d);
  - (f) an individual who is an officer of a body falling within paragraph (d) or (e);
  - (g) a body corporate which is an associate of a body corporate falling within paragraph (d) or (e);
  - (h) a body corporate in which a body falling within any of paragraphs (c) to (e) and (g) is a participant with more than a 5 per cent. interest;
  - (i) a body which is controlled by a person falling within any of paragraphs (a) to (g) or by two or more such persons taken together; and
  - (j) a body corporate in which a body falling within paragraph (i), other than one which is controlled—
    - (i) by a person falling within paragraph (a), (b) or (f), or
    - (ii) by two or more such persons taken together,
 is a participant with more than a 5 per cent. interest.
- (2) Sub-paragraph (1) shall apply in relation to—
- (a) a local delivery licence,
  - (b) a licence to provide a non-domestic satellite service,
  - (c) a licence to provide a non-domestic satellite radio service,
  - (d) a licence to provide a licensable programme service,
  - (e) a licence to provide a licensable sound programme service, or
  - (f) a licence to provide additional services (within the meaning of Part I or III of this Act) other than a licence to provide the teletext service referred to in section 49(2) of this Act,
- as if paragraphs (a) and (b) (and the reference to those paragraphs in paragraph (i)) were omitted.
- (3) In sub-paragraph (2)(c) “non-domestic satellite radio service” means a satellite service within the meaning of Part III of this Act which is not provided on any frequency allocated to the United Kingdom for broadcasting by satellite.

#### *Disqualification of religious bodies*

- 2 (1) Subject to sub-paragraph (2), the following persons are disqualified persons in relation to a licence granted by the Commission or the Authority—
- (a) a body whose objects are wholly or mainly of a religious nature;
  - (b) a body which is controlled by a body falling within paragraph (a) or by two or more such bodies taken together;
  - (c) a body which controls a body falling within paragraph (a);
  - (d) a body corporate which is an associate of a body corporate falling within paragraph (a), (b) or (c);
  - (e) a body corporate in which a body falling within any of paragraphs (a) to (d) is a participant with more than a 5 per cent. interest;

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- (f) an individual who is an officer of a body falling within paragraph (a); and
- (g) a body which is controlled by an individual falling within paragraph (f) or by two or more such individuals taken together.

(2) If on an application made to them under this sub-paragraph—

- (a) the Commission are satisfied that it is appropriate for a person to hold—
  - (i) a licence to provide a non-domestic satellite service, or
  - (ii) a licence to provide a licensable programme service, or
- (b) the Authority are satisfied that it is appropriate for a person to hold a particular kind of licence that may be granted by them under Part III of this Act other than a national licence,

being a person who, apart from this sub-paragraph, would be a disqualified person in relation to any such licence by virtue of sub-paragraph (1), they shall make a determination to the effect that they are so satisfied; and so long as any such determination remains in force in relation to that person, sub-paragraph (1) shall not apply to him in relation to any such licence.

(3) The Commission and the Authority shall each publish, in such manner as they consider appropriate, general guidance to persons making applications to them under sub-paragraph (2) as to the principles to be applied by them in determining whether it is appropriate for such persons to hold licences falling within paragraph (a) or (as the case may be) paragraph (b) of that sub-paragraph.

*Disqualification of publicly-funded bodies for radio service licences*

3 (1) The following persons are disqualified persons in relation to any licence granted by the Authority other than a licence to provide a restricted service—

- (a) a body (other than a local authority) which has, in its last financial year, received more than half its income from public funds;
- (b) a body which is controlled by a body falling within paragraph (a) or by two or more such bodies taken together; and
- (c) a body corporate in which a body falling within paragraph (a) or (b) is a participant with more than a 5 per cent. interest.

(2) For the purposes of sub-paragraph (1)(a) money is received from public funds if it is paid—

- (a) by a Minister of the Crown out of money provided by Parliament or out of the National Loans Fund;
- (b) by a Northern Ireland department out of the Consolidated Fund of Northern Ireland or out of money appropriated by Measure of the Northern Ireland Assembly; or
- (c) by a body which itself falls within sub-paragraph (1)(a), including a body which falls within that provision by virtue of this paragraph;

but, in each case, there shall be disregarded any money paid as consideration for the acquisition of property or the supply of goods or services or as remuneration, expenses, pensions, allowances or similar benefits for or in respect of a person as the holder of an office.

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*General disqualification on grounds of undue influence*

- 4 (1) A person is a disqualified person in relation to a licence granted by the Commission or the Authority if in the opinion of that body—
- (a) any relevant body is, by the giving of financial assistance or otherwise, exerting influence over the activities of that person, and
  - (b) that influence has led, is leading or is likely to lead to results which are adverse to the public interest.
- (2) In sub-paragraph (1) “relevant body”—
- (a) in relation to a licence granted by the Commission, means a body falling within paragraph 1(1)(c) to (h) or (j) above or a body which is controlled—
    - (i) by a person falling within paragraph 1(1)(c) to (g) above, or
    - (ii) by two or more such persons taken together; and
  - (b) in relation to a licence granted by the Authority, means a body falling within paragraph 1(1)(c) to (h) or (j) or 3 above or a body which is controlled as mentioned in paragraph (a)(i) or (ii) above.

*General disqualification of broadcasting bodies*

- 5 The following persons are disqualified persons in relation to a licence granted by the Commission or the Authority—
- (a) the BBC;
  - (b) the Welsh Authority;
  - (c) a body corporate which is controlled by either of those bodies; and
  - (d) a body corporate in which—
    - (i) either of those bodies, or
    - (ii) a body corporate falling within sub-paragraph (c),
 is (to any extent) a participant.

*General disqualification of advertising agencies*

- 6 The following persons are disqualified persons in relation to a licence granted by the Commission or the Authority—
- (a) an advertising agency;
  - (b) an associate of an advertising agency;
  - (c) any body which is controlled by a person falling within sub-paragraph (a) or (b) or by two or more such persons taken together;
  - (d) any body corporate in which a person falling within any of sub-paragraphs (a) to (c) is a participant with more than a 5 per cent. interest.

**PART III**

RESTRICTIONS TO PREVENT ACCUMULATIONS OF INTERESTS IN LICENSED SERVICES

*Preliminary*

- 1 (1) In this Part of this Schedule “relevant services” means any such services as are mentioned in sub-paragraphs (2) and (3) and, for the purposes of this Part, relevant

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services shall (subject to paragraphs 2(1) and 5(1) below) be divided into the twelve categories specified in those sub-paragraphs.

- (2) In the case of services licensed by the Commission, the categories are—
- (a) regional and national Channel 3 services and Channel 5;
  - (b) domestic satellite services;
  - (c) non-domestic satellite services;
  - (d) licensable programme services;
  - (e) additional services (within the meaning of Part I of this Act); and
  - (f) local delivery services.
- (3) In the case of services licensed by the Authority, the categories are—
- (a) national radio services;
  - (b) local radio services;
  - (c) restricted radio services;
  - (d) satellite radio services;
  - (e) licensable sound programme services; and
  - (f) additional services (within the meaning of Part III of this Act).
- (4) References in this Part to national, local, restricted or satellite radio services are references to national, local, restricted or satellite services within the meaning of Part III of this Act.

*Limits on the holding of licences to provide particular categories of services*

- 2 (1) Subject to sub-paragraph (3), the maximum number of licences which may at any time be held by any one person to provide relevant services falling within each of the following categories shall be—
- (a) two in the case of regional Channel 3 services;
  - (b) one in the case of national Channel 3 services;
  - (c) one in the case of Channel 5;
  - (d) one in the case of national radio services;
  - (e) twenty in the case of local radio services; and
  - (f) six in the case of restricted radio services.
- (2) The Secretary of State may, in the case of any category of relevant services not falling within sub-paragraph (1), by order prescribe the maximum number of licences which may at any time be held by any one person to provide relevant services falling within that category.
- (3) The Secretary of State may by order—
- (a) amend sub-paragraph (1) by substituting a different limit for any limit for the time being specified there;
  - (b) impose, in relation to any category of relevant services specified in or under sub-paragraph (1) or (2), limits on the holding of licences to provide relevant services falling within that category which are additional to any limits specified in or under that sub-paragraph and are framed—
    - (i) by reference to any specified circumstances relating to the holders of the licences in question or to the services to be provided under them, or

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- (ii) (in the case of licences granted by the Commission) by reference to matters determined by them under the order.
- (4) Without prejudice to the generality of sub-paragraph (3)(b), an order made in pursuance of that provision may impose on the holder of a licence to provide any specified category of relevant services limits framed (directly or indirectly) by reference to either or both of the following matters, namely—
- (a) the number of licences of any one or more specified descriptions which are held by him or by any body controlled by him; and
  - (b) his participation, to any specified extent, in any body corporate which is the holder of any licence or licences of any one or more such descriptions.
- (5) Where a person holds a licence to provide a local radio service which, in accordance with section 86(2), authorises the provision of a multichannel service, he shall be treated for the purposes of sub-paragraph (1) as holding such number of licences to provide local radio services as corresponds to the number of channels on which the service may be provided.
- (6) Where a person holds—
- (a) a licence to provide a domestic satellite service,
  - (b) a licence to provide a non-domestic satellite service, or
  - (c) a licence to provide a satellite radio service,
- which, in accordance with section 44(2), 45(3) or 86(2), authorises the provision of a multichannel service, he shall be treated for the purposes of any order under sub-paragraph (2) as holding such number of licences to provide domestic satellite services, non-domestic satellite services or (as the case may be) satellite radio services as corresponds to the number of channels on which the service may be provided.
- (7) In this paragraph—
- (a) “multichannel service” means a service which to any extent consists in the simultaneous transmission of different programmes on different frequencies; and
  - (b) any reference to the number of channels on which such a service may be provided is a reference to the number of different frequencies involved.
- (8) For the purposes of—
- (a) sub-paragraphs (1), (5) and (6), and
  - (b) any order under sub-paragraph (2),
- a person shall be treated as holding a licence if the licence is held by a person connected with him.

*Limits on the holding of licences to provide different categories of services*

- 3      Where any restriction is imposed by or under paragraph 5 or 6 below on the holder of a particular kind of licence in relation to participation in a body corporate which is the holder of another kind of licence, any person who holds one of those kinds of licence shall not also hold the other kind of licence.



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*Limits on participation by holders of licences in  
bodies licensed to provide services of same category*

- 4 The Secretary of State may by order prescribe restrictions on the extent to which the holder of a licence to provide a relevant service falling within a particular category may be a participant—
- (a) in a body corporate which is the holder of another licence to provide a relevant service falling within that category, or
  - (b) in two or more such bodies corporate.

*Special rules relating to participation by holders of television broadcasting licences*

- 5 (1) For the purposes of paragraph 4 above and this paragraph the services specified in paragraph 1(2)(a) above shall be divided into the following three categories—
- (a) regional Channel 3 services;
  - (b) national Channel 3 services; and
  - (c) Channel 5.
- (2) Where a person is the holder of a licence to provide a service falling within one of those categories, he shall not be a participant with more than a 20 per cent. interest in any body corporate which is the holder of a licence to provide a service falling within either of the other two categories.
- (3) The Secretary of State may by order—
- (a) amend sub-paragraph (2) by substituting a different percentage for the percentage for the time being specified there;
  - (b) prescribe restrictions on the extent to which the holder of a licence to provide a service falling within one of the categories specified in sub-paragraph (1) may be a participant in two or more bodies corporate which are the holders of licences to provide services falling within either of the other two categories so specified.

*Limits on participation by holders of licences in bodies  
licensed to provide services of different category*

- 6 (1) Where a person is the holder of a licence to provide a relevant service falling within one of the categories specified in sub-paragraph (2)(a) or (b) or (3)(a) of paragraph 1 above, he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a relevant service falling within either of the other categories so specified.
- (2) Subject to sub-paragraphs (3) and (4), where a person—
- (a) is the holder of a licence to provide a non-domestic satellite service, or
  - (b) provides a satellite television service (other than a non-domestic satellite service) which is provided on a non-allocated frequency and appears to the Commission to be intended for general reception in the United Kingdom (whether or not it appears to them to be also intended for such reception elsewhere),
- he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a relevant service falling within one of the categories referred to in sub-paragraph (1); and, where a person is the holder of a licence to provide such a relevant service, he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of such a licence as is

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mentioned in paragraph (a) above or which provides such a service as is mentioned in paragraph (b) above.

(3) In sub-paragraph (2)—

“non-allocated frequency” means a frequency other than one allocated to the United Kingdom for broadcasting by satellite, and

“satellite television service” means a service consisting in the transmission of television programmes by satellite;

and a service shall be disregarded for the purposes of paragraph (a) or (b) of that sub-paragraph if the programmes included in the service are at all times the same as those which are for the time being broadcast in a Channel 3 service or on Channel 5.

(4) Nothing in sub-paragraph (2) shall impose any restriction—

(a) on the extent to which an excluded licensee may be a participant in a body corporate which is the holder of a licence to provide a domestic satellite service, or

(b) on the extent to which the holder of such a licence may be a participant in a body corporate which is an excluded licensee;

and for this purpose “excluded licensee” means a person who is the holder of a licence to provide a non-domestic satellite service and—

(i) is licensed under section 7 of the Telecommunications Act 1984 to provide a specialised satellite service, and

(ii) is so licensed (or, as the case may be, was first so licensed) by virtue of a licence granted under that section before the commencement of sub-paragraph (2), and

(iii) is not connected with any other person who is the holder of a licence to provide a non-domestic satellite service.

(5) Where a person is the holder of a licence to provide a satellite radio service, he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a relevant service falling within sub-paragraph (2) (a) or (3)(a) of paragraph 1 above; and, where a person is the holder of a licence to provide such a relevant service, he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a satellite radio service.

(6) Where a person is the holder of a licence to provide a satellite radio service which is provided on any frequency allocated to the United Kingdom for broadcasting by satellite (“a domestic licence”), he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a satellite radio service which is not provided on any such frequency (“a non-domestic licence”); and, where a person is the holder of a non-domestic licence, he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a domestic licence.

(7) Where a person is the holder of a licence to provide a relevant service falling within one of the categories specified—

(a) in sub-paragraph (2)(f) or (3)(b) of paragraph 1 above, or

(b) in paragraph 5(1)(a) above,

he shall not be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a relevant service falling within either of

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the other categories so specified if each of the services in question is provided for an area which is to a significant extent the same as that for which the other is provided.

- (8) The Secretary of State may by order prescribe restrictions—
- (a) on the extent to which—
    - (i) the holder of a relevant national or satellite licence, or
    - (ii) a person providing such a service as is mentioned in sub-paragraph (2)(b),may be a participant in a body corporate which is the holder of a relevant local licence, or in two or more such bodies corporate, and
  - (b) on the extent to which the holder of a relevant local licence may be a participant in a body corporate which—
    - (i) is the holder of a relevant national or satellite licence, or
    - (ii) provides such a service as is mentioned in sub-paragraph (2)(b),or in two or more such bodies corporate.
- (9) In sub-paragraph (8)—
- “relevant local licence” means a licence to provide a relevant service falling within either of the categories specified in paragraph 1(2)(f) or (3) (b) above; and
- “relevant national or satellite licence” means a licence to provide a relevant service falling within one of the categories specified—
- (a) in paragraph 1(2)(b) or (c) or (3)(a) or (d) above, or
  - (b) in paragraph 5(1)(b) or (c) above.
- (10) The Secretary of State may by order amend any of sub-paragraphs (1), (2) and (5) to (7) by substituting a different percentage for the percentage for the time being specified there.

*Limits on participation in bodies holding licences to  
extend to participation in bodies controlling such bodies*

- 7 (1) Any restriction imposed by or under paragraph 4, 5 or 6 above on participation—
- (a) in a body corporate which is the holder of a particular kind of licence, or
  - (b) in two or more such bodies,
- shall apply equally to participation—
- (i) in a body corporate which controls the holder of such a licence, or
  - (ii) in two or more bodies corporate each of which controls the holder of such a licence,
- as the case may be.
- (2) Any restriction imposed under paragraph 6(8)(b) above on participation in a body corporate providing such a service as is mentioned in paragraph 6(2)(b) shall apply equally to participation in a body corporate which controls a body providing such a service.

*Attribution of interests of connected persons*

- 8 (1) Any restriction on participation imposed by or under paragraph 4, 5 or 6 above—
- (a) on the holder of a licence, or

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(b) on a person providing such a service as is mentioned in paragraph 6(2)(b), shall apply to him as if he and every person connected with him were one person.

- (2) For the purposes of this paragraph and paragraph 9 below the following persons shall be treated as connected with a person providing such a service as is mentioned in paragraph 6(2)(b), namely—
- (a) a person who controls that person;
  - (b) an associate of that person or of a person falling within paragraph (a); and
  - (c) a body which is controlled by that person or by an associate of that person.

*Restrictions imposed by orders*

- 9 (1) Without prejudice to the generality of paragraph 4 or 6(8) above, an order made in pursuance of that provision may impose restrictions framed by reference to the number of bodies corporate in which the holder of a licence, or any person connected with him, is a participant, and an order made in pursuance of paragraph 6(8)(a)(ii) may impose restrictions framed by reference to the number of bodies corporate in which a person providing such a service as is mentioned in paragraph 6(2)(b), or any person connected with him, is a participant.
- (2) Paragraph 8(2) above applies for the purposes of this paragraph.

*Power to impose restrictions on participation by persons other than licence holders*

- 10 (1) Where, by virtue of any provision of this Part of this Schedule, any restriction applies in relation to participation in any body or bodies corporate of a particular description, the Secretary of State may by order provide for further restrictions to apply in relation to participation in any such body or bodies corporate, being restrictions which—
- (a) are imposed on persons to whom the first-mentioned restriction does not apply, and
  - (b) are framed by reference to the number of bodies corporate in which such persons, or persons connected with them, are participants.
- (2) For the purposes of this paragraph the following persons shall be treated as connected with a particular person, namely—
- (a) a person who controls that person;
  - (b) an associate of that person or of a person falling within paragraph (a); and
  - (c) a body which is controlled by that person or by an associate of that person.

**PART IV**

RESTRICTIONS ON CONTROLLING INTERESTS IN  
BOTH NEWSPAPERS AND LICENSED SERVICES

*Preliminary*

- 1 (1) In this Part of this Schedule references to a national or local newspaper are (subject to sub-paragraph (2)) references to a national or local newspaper circulating wholly or mainly in the United Kingdom or in a part of the United Kingdom.

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- (2) The relevant authority may determine that a newspaper which would not otherwise be a national or local newspaper for the purposes of this Part of this Schedule shall be treated as a national or (as the case may be) a local newspaper for the purposes of any particular restriction imposed by or under this Part of this Schedule if it appears to them to be appropriate for the newspaper to be so treated having regard to its circulation or influence in the United Kingdom or (as the case may be) in a part of the United Kingdom; and in this sub-paragraph “the relevant authority”—
- (a) in relation to a restriction having effect in relation to any licence which may be granted by the Commission, means the Commission; and
  - (b) in relation to a restriction having effect in relation to any licence which may be granted by the Radio Authority, means that Authority.
- (3) For the purposes of this Part of this Schedule the following persons are connected with each other in relation to a particular national or local newspaper, namely—
- (a) the proprietor of the newspaper;
  - (b) a person who controls the proprietor;
  - (c) an associate of the proprietor or of a person falling within paragraph (b); and
  - (d) a body which is controlled by the proprietor or by an associate of the proprietor.
- (4) Any reference in this Part of this Schedule, in relation to a local newspaper, to a relevant local radio service or a relevant local delivery service is a reference to a local radio service or a local delivery service which serves an area which is to a significant extent the same as that served by the newspaper.
- (5) Paragraph 1(4) in Part III of this Schedule shall have effect for the purposes of this Part of this Schedule as it has effect for the purposes of Part III.

*Restrictions on proprietors of newspapers*

- 2 (1) Subject to sub-paragraph (2), no proprietor of a national or local newspaper shall be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide—
- (a) a Channel 3 service or Channel 5, or
  - (b) a national radio service.
- (2) Sub-paragraph (1) shall not impose any restriction on the proprietor of a local newspaper as respects participation in a body corporate which is the holder of a licence to provide a regional Channel 3 service except where the newspaper and the service each serve an area which is to a significant extent the same as that served by the other.
- (3) No person who—
- (a) is the proprietor of a national newspaper, and
  - (b) is a participant with more than a 5 per cent. interest in a body corporate falling within sub-paragraph (1) (but, in accordance with that sub-paragraph, is not a participant with more than a 20 per cent. interest in it),
- shall be a participant with more than a 5 per cent. interest in any other such body corporate.

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- (4) No person who is the proprietor of a local newspaper shall be a participant with more than a 20 per cent. interest in a body corporate which is the holder of a licence to provide a relevant local radio service or a relevant local delivery service.
- (5) The Secretary of State may by order—
- (a) amend sub-paragraph (1), (3) or (4) by substituting a different percentage for the percentage for the time being specified there;
  - (b) prescribe restrictions (in addition to that imposed by sub-paragraph (3)) on the extent to which the proprietor of a national or local newspaper may be a participant in two or more bodies corporate which are the holders of licences to provide services falling within sub-paragraph (1)(a) or (b);
  - (c) prescribe restrictions on the extent to which the proprietor of a national newspaper may be a participant in a body corporate which is the holder of a licence to provide a relevant service falling within paragraph 1(2)(f) or (3) (b) in Part III of this Schedule, or in two or more such bodies corporate;
  - (d) prescribe restrictions on the extent to which the proprietor of a local newspaper may be a participant in two or more bodies corporate which are the holders of licences to provide relevant local radio services or relevant local delivery services;
  - (e) prescribe restrictions on the extent to which a person who is the proprietor of a newspaper of any specified description may be a participant in a body corporate which is the holder of a licence to provide any specified description of service falling within paragraph 1(2)(b) or (c) or (3)(d) in Part III of this Schedule or in two or more such bodies corporate.
- (6) Paragraph 7(1) in Part III of this Schedule shall have effect in relation to any restriction imposed by or under this paragraph as it has effect in relation to any restriction imposed by or under paragraph 4, 5 or 6 in Part III.

*Restrictions on holders of licences*

- 3 (1) Subject to sub-paragraph (2), no person who is the holder of a licence to provide—
- (a) a Channel 3 service or Channel 5, or
  - (b) a national radio service,
- shall be a participant with more than a 20 per cent. interest in a body corporate which runs a national or local newspaper.
- (2) Sub-paragraph (1) shall not impose any restriction on the holder of a licence to provide a regional Channel 3 service as respects participation in a body corporate which runs a local newspaper except where the service and the newspaper each serve an area which is to a significant extent the same as that served by the other.
- (3) No person who—
- (a) is the holder of any such licence as is mentioned in sub-paragraph (1), and
  - (b) is a participant with more than a 5 per cent. interest in a body corporate which runs a national newspaper (but, in accordance with that sub-paragraph, is not a participant with more than a 20 per cent. interest in it),
- shall be a participant with more than a 5 per cent. interest in any other such body corporate.

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- (4) No person who is the holder of a licence to provide a relevant local radio service or a relevant local delivery service shall be a participant with more than a 20 per cent. interest in a body corporate which runs a local newspaper.
- (5) The Secretary of State may by order—
- (a) vary sub-paragraph (1), (3) or (4) by substituting a different percentage for the percentage for the time being specified there;
  - (b) prescribe restrictions (in addition to that imposed by sub-paragraph (3)) on the extent to which the holder of such a licence as is mentioned in sub-paragraph (1) may be a participant in two or more bodies corporate which run national or local newspapers;
  - (c) prescribe restrictions on the extent to which the holder of a licence to provide a relevant service falling within paragraph 1(2)(f) or (3)(b) in Part III of this Schedule may be a participant in a body corporate which runs a national newspaper, or in two or more such bodies corporate;
  - (d) prescribe restrictions on the extent to which the holder of such a licence as is mentioned in sub-paragraph (4) may be a participant in two or more bodies corporate which run local newspapers;
  - (e) prescribe restrictions on the extent to which the holder of a licence to provide any specified description of service falling within paragraph 1(2)(b) or (c) or (3)(d) in Part III of this Schedule may be a participant in a body corporate which runs a national or local newspaper, or in two or more such bodies corporate.
- (6) For the purposes of this paragraph a person runs a national or local newspaper if—
- (a) he is the proprietor of such a newspaper; or
  - (b) he controls a body which is the proprietor of such a newspaper.

*Attribution of interests of connected persons*

- 4 Any restriction on participation imposed by or under paragraph 2 or 3 above—
- (a) on the proprietor of any newspaper, or
  - (b) on the holder of any licence,
- shall apply to him as if he and every person connected with him were one person.

*Restrictions imposed by orders*

- 5 Without prejudice to the generality of paragraph 2(5) or 3(5) above, an order made in pursuance of that provision may impose restrictions framed by reference to the number of bodies corporate in which—
- (a) the proprietor of a newspaper, or
  - (b) the holder of a licence,
- as the case may be, or any person connected with any such person, is a participant.

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## PART V

### RESTRICTION ON HOLDING OF LICENCES BY OPERATORS OF PUBLIC TELECOMMUNICATION SYSTEMS

The Secretary of State may by order specify categories of licences granted by the Commission or the Authority which may not be held by all or any of the following, namely—

- (a) a national public telecommunications operator or a national public telecommunications operator of any description specified in the order;
- (b) a person who controls such an operator;
- (c) an associate of such an operator or of a person falling within sub-paragraph (b);
- (d) a body which is controlled by such an operator or by an associate of such an operator.

In this paragraph “national public telecommunications operator” means a public telecommunications operator (within the meaning of the Telecommunications Act 1984) who is authorised to run a telecommunication system for the whole, or substantially the whole, of the United Kingdom.