

Notice of revocation of Licence Number TLCS000575 held by Star China Media Limited under section 238(4) of the Communications Act 2003 and Condition 28(2)(a) of the Licence

Introduction and summary

1. Star China Media Limited (“SCML” or “the Licensee”) holds a licence (TLCS000575 – “the Licence”) to provide the CGTN service (“the Licensed Service”).
2. Under the UK statutory framework for regulation of broadcasting, a broadcasting licence must be held by the “provider of the service”,¹ which means the person or organisation who exercises general control over which programmes and other services and facilities are included in the service.
3. In February 2020, following information drawn to Ofcom’s attention by a complaint, Ofcom started investigating the control exercised by SCML over the CGTN service. Ofcom made requests for information in order to understand whether SCML was exercising control over the CGTN service and what the role of the China Media Group, China Central Television (“CCTV”, a Chinese state-controlled broadcaster) and China Global Television Network Corporation (“CGTNC”) was in relation to the provision of the CGTN service.
4. In April 2020, following consideration of the information provided by SCML and CGTNC to Ofcom in response to Ofcom’s information requests, Ofcom put SCML and CGTNC on notice that it had concerns that SCML was not the provider of the CGTN service and that the person/s who may be providing the CGTN service would be disqualified from holding a licence due to their political affiliations.²
5. CGTNC subsequently informed Ofcom that it accepted that SCML should no longer hold the licence for the CGTN service and confirmed that it would seek to transfer the licence to the entity which exercises general control over the CGTN service, and was exploring ways to reorganise the CGTN division of CCTV with a view to making a licence transfer application.
6. In September 2020, CGTNC submitted an application to transfer the Licence for the CGTN service from SCML to CGTNC (the “Transfer Application”). However, Ofcom was unable to assess the Transfer Application, as Ofcom did not receive from CGTNC all of the information it requested in order to carry out its assessment, and because the Transfer Application was predicated on a corporate reorganisation of the bodies which held the shares in and controlled CGTNC, which had not (and still has not to date) been completed.
7. On 2 November 2020, in accordance with the requirements of section 238(4) of the Communications Act 2003 (“the 2003 Act”) and Condition 28(4) of the Licence,³ Ofcom notified SCML that, subject to consideration of any representations from SCML and CGTNC,

¹ Within the meaning of section 362(2) of the Communications Act 2003.

² Under section 5(1)(a) of and Part II of Schedule 2 to the Broadcasting Act 1990.

³ We refer in this Notice to the Licence as varied with effect from 31 December 2020. We note that as a result of the variation the relevant licence condition relating to revocation is now Condition 28, when previously it was Condition 29. However, the wording of the condition itself has not changed in any relevant way.

we were minded to revoke the Licence on the basis that SCML had ceased to provide the CGTN service and it was appropriate to revoke the Licence in the circumstances of this case.

8. Having considered all the relevant evidence, including written representations made by SCML and CGTNC, Ofcom has decided to revoke the Licence on the basis that SCML has ceased to provide the CGTN service and it is appropriate to revoke the Licence, for the reasons set out in full in this Notice.
9. In summary:
 - a. Ofcom has a statutory duty to ensure that a broadcasting licence is held by the provider of the service. Ofcom has determined that SCML is not the provider of the CGTN service, as it does not exercise general control over the service, but instead acts as the distributor of the CGTN service in the UK. CGTNC is the organisation who in fact exercises general control over the CGTN service. This has been accepted by both SCML and CGTNC. Therefore, the wrong entity currently holds a licence to provide the CGTN service.
 - b. We recognise that revoking the Licence engages the rights of the Licensee and CGTN's audience to freedom of expression, and we have carefully considered whether it is necessary and proportionate to revoke the Licence.
 - c. Ofcom has had considerable engagement with CGTNC and SCML over the past ten months in order to assist them to take the necessary steps to ensure the CGTN service is properly licensed. During these ten months, both CGTNC and SCML have had numerous opportunities to bring themselves into compliance with the UK broadcast licensing requirements.
 - d. In September 2020, CGTNC submitted an application to transfer the Licence for the CGTN service from SCML to CGTNC. However, the corporate reorganisation contemplated in the Transfer Application has not been completed. CGTNC maintains that it is not "a disqualified person" under UK law, and has stated that they do not intend to provide us with any further information in response to our outstanding questions regarding the Transfer Application.
 - e. Parliament has given Ofcom a statutory duty to do all we can to prevent disqualified persons from becoming or remaining television licence holders,⁴ and we have determined that CGTNC could not currently be granted a broadcasting licence as it would be disqualified under the statutory scheme. This is because CGTNC is both controlled by and an associate of an organisation, namely CCTV, which, as a result of its relationship with the Chinese Communist Party through the China Media Group, is a body whose objects are wholly or mainly of a political nature and/or is controlled by a body whose objects are wholly or mainly of a political nature.⁵

⁴ Section 5(1)(a) of the Broadcasting Act 1990.

⁵ Contrary to the requirements of section 5(1)(a) of and Part II of Schedule 2 to the Broadcasting Act 1990.

- f. Ofcom must act in accordance with the statutory duties given to us by Parliament, and therefore in all the circumstances of this case, we consider that it is appropriate to proceed to revoke the Licence.
10. Therefore, Ofcom hereby gives notice to the Licensee that, pursuant to section 238(4) of the 2003 Act and Condition 28(2)(a) of the Licence, the Licence is revoked with immediate effect upon service of this Notice.

Background

Legal and regulatory framework

11. The 2003 Act, the Broadcasting Act 1990 (“the 1990 Act”) and the Broadcasting Act 1996 (“the 1996 Act”) require that any person who provides a television service falling to the UK’s jurisdiction must be authorised to do so under a licence granted by Ofcom.
12. Providing such a television service without a licence is a criminal offence under section 13(1) of the 1990 Act.
13. A broadcasting licence must be held by the person (either a corporate body or an individual) who is the ‘provider of the service’ within the meaning of section 362(2) of the 2003 Act. This provision states that:

“the person, and the only person, who is to be treated for the purposes of this Part as providing the service is the person with general control over which programmes and other services and facilities are comprised in the service (whether or not he has control of the content of individual programmes or of the broadcasting or distribution of the service)”.

14. Ofcom’s published [Guidance](#) states that:

“2.3. Under this statutory definition, ‘general control’ includes control over what programmes are included in the service and what other services and facilities (for example through the inclusion of a link or facility to interactive features) are included in that service – but does not necessarily mean the provider has control of the content of individual programmes.

2.4. Ofcom considers that a person will normally have general control if that person exercises effective control over the selection of programmes that comprise the service and their organisation into a programme schedule. It is that person who will normally be treated as being the provider of the relevant service and who will need to hold a broadcasting licence authorising its provision.

2.5. As the licensee, that person will be obliged to comply with all the relevant licence conditions and will be responsible for putting in place adequate compliance arrangements, including retaining recordings of programmes, and for ensuring that the service as broadcast, complies with all the relevant Ofcom codes and other requirements. This is the case even if the day to day activities to ensure compliance of individual programmes are carried out by a third party.”

15. Further, in relation to ‘sub-letting’ capacity, the Guidance states:

“3.2. A person who has acquired capacity on a broadcasting platform for the purpose of providing access to that capacity and/or to an electronic programme guide slot to other service providers, but does not actually provide a service on that capacity themselves, cannot hold the broadcasting licence for any service(s) provided on that capacity. In such cases those responsible for providing the service should ensure that they are appropriately licensed themselves to provide the service and comply with all the necessary licence obligations in relation to that service.

*3.3 ... **A broadcasting licence cannot be ‘sub-let’.** If the ‘sub lessee’ of platform capacity is the provider of the service, they need to hold a licence themselves (i.e. they are not ‘covered’ by any other person’s licence).”*

16. Section 5(1)(a) of the 1990 Act also requires Ofcom to do all we can to prevent ‘disqualified persons’ as defined under Schedule 2 from becoming or remaining licence holders. As defined in paragraph 1 of Part II, Schedule 2 to the 1990 Act, ‘disqualified persons’ include:

- (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 associate⁶ 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 participant⁷ with more than a 5 per cent. interest;
- (hh) a body corporate which is controlled⁸ by a body corporate falling within paragraph (h);
- (i) a body which is controlled by a person falling within any of paragraphs (c) 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 (f), or
 - (ii) by two or more such persons taken together, is a participant with more than a 5 per cent. interest.

⁶ As defined in paragraph (1A) of Part I, Schedule 2 to the 1990 Act.

⁷ This means a person who holds or is beneficially entitled to shares in that body or who possesses voting power in that body: see paragraph 1, Part I, Schedule 2.

⁸ As defined in paragraph 3 of Part I, Schedule 2. See also Ofcom’s guidance on the definition of ‘control’ of media companies: https://www.ofcom.org.uk/data/assets/pdf_file/0022/45292/media_statement.pdf.

17. Section 5(1)(a), read with Schedule 2, of the 1990 Act therefore imposes a statutory prohibition on: (a) bodies whose objects are wholly or mainly of a political nature; (b) bodies controlled by, or who are associates of, such bodies; and (c) bodies controlled by, or who are associates of, or affiliates of such bodies, from holding a Broadcasting Act licence. Ofcom has no discretion in its application of this provision and has a duty to prevent ‘disqualified persons’ from becoming or remaining licence holders.
18. The 2003 Act gives Ofcom other duties in respect of regulating the content of television services. These duties include the application of standards in order to protect television audiences from viewing offensive and harmful material (section 319 of the 2003 Act) and to protect individuals from being treated unfairly or in such a way as to cause an unwarranted infringement of their privacy (section 107 of the 1996 Act).
19. Further, under section 3(3) of the 1990 Act, Ofcom has a duty not to grant a licence to any person unless we are satisfied that they are a fit and proper person to hold a licence, and do all that we can to secure that if we cease to be so satisfied, that a person does not remain the holder of a licence.
20. Under section 6 of the Human Rights Act 1998, Ofcom (as a public authority) has a duty to ensure that it does not act in a way which is incompatible with the European Convention on Human Rights (“the Convention”). In particular, in the context of this case, Ofcom has taken account of the rights under Article 10 of the Convention.
21. Article 10 of the Convention provides for the right to freedom of expression. Applied to broadcasting, this right encompasses the broadcaster’s freedom to impart and the audience’s freedom to receive information and ideas without interference by public authority and regardless of frontiers (Article 10(1) of the Convention). The exercise of these freedoms may be subject only to conditions and restrictions which are “prescribed in law and are necessary in a democratic society, in the interests of national security, territorial integrity or public safety, for the prevention of disorder or crime, for the protection of health and morals, for the protection of the reputation or rights of others, for preventing the disclosure of information received in confidence or for maintaining the authority and impartiality of the judiciary” (Article 10(2) of the Convention).

Ofcom’s investigation and previous correspondence with the Licensee and CGTNC

22. The provision of the Licence to SCML was made based on information provided by SCML to Ofcom in 2011.⁹ In 2019, we wrote to the Licensee’s UK regulatory contact asking for confirmation of which entity is responsible for running the CGTN service. We received a response confirming that SCML remained the Ofcom licensee.

⁹ Previously the licence was held by Satellite Television Asian Region Limited and was transferred to SCML in 2011.

23. On 25 February 2020, we received a complaint from Safeguard Defenders with information in relation to the control and ownership of the Licensee and specifically whether it is ultimately controlled by the Chinese Communist Party.¹⁰
24. Following receipt of that letter, Ofcom started investigating the control exercised by SCML over the CGTN service. Ofcom made requests for information¹¹ in order to understand whether SCML was exercising control over the CGTN service and what the role of the China Media Group, CCTV and CGTNC was in relation to the provision of the CGTN service.
25. On 2 April 2020, following consideration of the information provided by SCML and CGTNC to Ofcom in response to Ofcom's information requests, Ofcom put SCML and CGTNC on notice that it had concerns that SCML was not the provider of the CGTN service and that the person/s who may be providing the CGTN service would be disqualified from holding a licence due to their political affiliations. We stated that given our understanding that SCML is not the person providing the Licensed Service, subject to representations, we were minded to begin the process to revoke SCML's licence. We informed them that we would consider a transfer application, but that we would require sufficient evidence to be satisfied that the applicant was not a disqualified person before we could grant a licence.
26. On 6 May 2020, CGTNC informed Ofcom, via its UK legal advisers, that it accepted that SCML should no longer hold the licence for the CGTN service and confirmed that it would seek to transfer the licence to the entity which exercises general control over the CGTN service, and was exploring ways to reorganise the CGTN division of CCTV with a view to making a licence transfer application.
27. Over the next five months, Ofcom engaged with CGTNC and its UK legal advisers with a view to assisting them in understanding the relevant regulatory requirements. Following requests from CGTNC, Ofcom granted CGTNC two extensions of time, until 16 September 2020, to submit their transfer application.¹² Full details of the relevant correspondence and engagement are set out in Annex 1.

The Transfer Application

28. On 16 September 2020, Ofcom received an application to transfer the Licence to CGTNC ("the Transfer Application"). In addition, CGTNC requested an additional three month extension of time until 16 December 2020 to complete an "equity transfer agreement" in respect of CGTNC's equity.
29. Following receipt of CGTNC's Transfer Application, Ofcom considered that we required further information in order to assess the Transfer Application, which we requested from CGTNC on 17 September 2020. Although CGTNC responded to Ofcom's request for further information on 23 September 2020, Ofcom considered that CGTNC had provided incomplete answers to the questions set out in Ofcom's request and we considered that we still did not have

¹⁰ The information provided to us has been published here: <https://safeguarddefenders.com/en/blog/new-violation-exposes-chinese-tv-automatic-loss-license-uk>.

¹¹ These included a request on 26 February 2020 ("Ofcom's first information request"), and on 12 March 2020 ("Ofcom's second information request").

¹² Ofcom letters of 12 June and 6 August 2020.

sufficient detail to assess properly the Transfer Application. We therefore wrote to CGTNC on 6 October 2020 explaining that we still required additional information and that:

- Ofcom may only grant the Transfer Application once it is satisfied that the proposed licensee, CGTNC, complies with the broadcast licensing statutory scheme (which is set out above).
- The Transfer Application was premised on the incorporation of a new corporate entity which would be a public institution under Chinese law (“CGTNPI”), and the equity reorganisation of CGTNC, neither of which was yet complete. We were therefore not in a position to be able to assess properly the Transfer Application.
- In light of our statutory duties to ensure that a broadcasting licence is held by the provider of the service, and to prevent disqualified persons from becoming or remaining licence holders, as well as the considerable amount of time we have already afforded CGTN to regularise its licensing position, we were unable to grant CGTN’s request for an extension of time to 16 December 2020. We indicated we were willing to continue to work on the Transfer Application, but we would also need at the same time to commence the process of considering whether or not to notify platform providers of our view that the service is broadcasting unlawfully and to revoke the Licence.

Correspondence regarding the revocation process

30. On 15 October 2020, as signalled in our letter of 6 October 2020, we wrote to SCML to set out our timetable and process for considering whether to revoke the Licence, including how and when SCML and CGTNC would have a full and fair opportunity to make representations. We gave SCML the opportunity to provide representations on the proposed timetable. We also wrote separately to CGTNC on the same date, providing it with a copy of our letter to SCML.
31. On 22 October 2020 CGTNC provided the following representations on our 15 October 2020 letter:
 - CGTNC requested that Ofcom postpone the commencement of the licence revocation process for 60 days, because SCML had indicated it was willing to transfer the Licence to CGTNC (which CGTNC said “has been agreed by Ofcom”) but it required further time to complete the equity reorganisation of CGTNC. It also needed more time to consider its distribution agreements and contractual arrangements with UK operators, technical issues relating to broadcasting the CGTN service and the extent of losses which would be caused by ceasing to broadcast this service.
 - CGTNC also wished to remind Ofcom that CCTV, the current shareholder of CGTNC, is still in existence and is a legal entity. It noted the nature of the CCTV entity has not changed.

The Provisional Revocation Notice

32. On 2 November 2020, as required by Condition 28(4) of the Licence¹³ and section 238(7) of the 2003 Act, we notified SCML that Ofcom was currently minded to revoke the Licence under Condition 28(2)(a) and section 238(4) of the 2003 Act on the basis that SCML was not acting as the provider of the CGTN service (the “Provisional Revocation Notice”). We explained that it was appropriate to revoke the Licence in the circumstances of this case, and explained the matters constituting our grounds for revocation.
33. First, we outlined the reasons and evidence for our provisional view that SCML is not the provider of the CGTN service within the meaning of section 362 of the 2003 Act, because it does not exercise editorial control over the programmes in the CGTN service. We also noted that this was not disputed either by SCML or by CGTNC.
34. We then explained Ofcom’s provisional view as to why we considered that it was appropriate and proportionate to revoke the Licence. We took into account the fact that Ofcom had had considerable engagement with SCML and CGTN on this matter, and they had had over 6 months to regularise the licensing position for the CGTN service. We noted that, despite having already granted a number of requests from CGTNC for an extension of time in responding to our information requests and for preparing its Transfer Application, we were still not in a position to be able to assess properly the Transfer Application, as they had not provided all the required information. We also explained our concerns regarding the entities who we considered were likely to be involved in providing the CGTN service. In particular, we stated that it was our provisional view that CCTV – or any of the entities ultimately controlled by it, including CGTNC – would not be permitted to hold a broadcasting licence and would therefore be a ‘disqualified person’ within the meaning of section 5(1)(a) and Part II of Schedule 2 to the 1990 Act. We explained that, based on the position currently understood, we would be minded to reject the Transfer Application given the entity which does most likely provide the CGTN service – CGTNC – remains ultimately controlled by a disqualified person – CCTV.
35. Ofcom’s provisional view was therefore that, in light of our statutory duties to ensure that a broadcasting licence is held by the provider of the service, and to do all we can to prevent disqualified persons from becoming or remaining licence holders, as well as the considerable amount of time we had already afforded CGTN to regularise its licensing position, it would be appropriate to revoke the Licence in accordance with section 238(4) of the 2003 Act and Condition 28(2)(a) of the Licence. We also explained that, for the same reasons, it was not appropriate to delay our consideration of whether to revoke the Licence any further, as CGTNC had requested in its letter of 22 October 2020.
36. In accordance with the requirements of Condition 28(4) of the Licence and section 238(7) of the 2003 Act, we gave SCML the opportunity to provide written and oral representations on the matters contained in the Provisional Revocation Notice. Given its direct interest in the

¹³ When Ofcom issued the Provisional Revocation Notice, the relevant licence condition was Condition 29 as explained in footnote 3. We refer to Condition 28 throughout this Notice for ease of reference.

CGTN service, we also provided CGTNC with a copy of the Provisional Revocation Notice and offered it the same opportunity to make written and oral representations on this matter.

SCML and CGTNC's representations on the Provisional Revocation Notice

37. Both SCML and CGTNC made written representations in response to the Provisional Revocation Notice. Both SCML and CGTNC declined the opportunity to make oral representations to Ofcom.
38. In its written representations dated 16 November 2020, SCML submitted that:
 - It regretted that the requirements regarding the provider of the service set out in section 362 of the 2003 Act had not been brought to its attention, or the attention of the previous licence holder, Satellite Television Asian Region Limited,¹⁴ resulting in them being unable to put appropriate and timely measures in place to comply with these requirements as it ought to have done. SCML acknowledged, however, that with hindsight it ought to have deployed the necessary resources to meet all regulatory requirements.
 - SCML never intended to violate section 362 of the 2003 Act.
 - It had used its best endeavours to cooperate with and assist Ofcom in its investigation and provide any and all information that Ofcom had required.
 - CGTN is a “renowned news channel that has been cultivating its reputation and goodwill for many years” and that has also garnered popularity in the UK.
 - SCML requested that Ofcom reconsider its intention to revoke the Licence, or alternatively transfer the Licence to CGTNC, so that there will not be any disruption to the CGTN service “being respectfully used and rightfully enjoyed by the public at large in the UK”.
39. CGTNC also made written representations on 16 November 2020 in response to the Provisional Revocation Notice (“CGTNC’s Representations”), stating that:
 - It regretted and opposed Ofcom’s refusal to accept its Transfer Application for the CGTN service.
 - Satellite Television Asian Region Limited (which preceded SCML as the licence holder) was awarded the licence to broadcast the CGTN service (then named CCTV-9) in 2002, before the 2003 Act came into force. Therefore, the awarding of such licence and the broadcasting of the Licensed Service in the UK was in compliance with the laws and regulations.
 - CGTNC first learned that the 2003 Act had been introduced in the UK as a result of our information request of 26 February 2020. It immediately expressed its intention to

¹⁴ The Licence was transferred from Satellite Television Asian Region Limited to SCML in 2011.

transfer the licence from SCML to the entity which exercises general control over the CGTN service, which is CGTNC.

- CGTNC should be granted a transfer of the licence and is entitled to hold the licence for the CGTN service because: i) it exercises general control over the service; ii) it is not a 'disqualified person' under the 1990 Act; and iii) CCTV and CGTNC highly value the cultural exchanges and cooperation between China and the UK.
- On point i), CGTNC explained that the news gathering and production activities for the CGTN service are editorially independent and managed much like that of other international news organisations. The CGTN service's Global Editorial Board is the ultimate decision maker when it comes to the selection and organisation of the Licensed Service's programmes for the programme schedule. The Global Editorial Board is constituted mainly by CGTNC staff, and CGTNC is also in charge of the programme production and global operation of the CGTN service.
- On point ii), CGTNC said that it is a professional international media company incorporated under Chinese law. According to its Articles of Association, CGTNC is a body with objects and purposes to provide a professional, objective and international news service.
- CGTNC's current shareholder is CCTV, a Chinese state television broadcaster since its establishment in 1958, with a similar status to that of the BBC, France Televisions Group, NHK (Japan), KBS (Korea) and others. CCTV is subject to industry guidance given by the National Radio and Television Administration of China, and it is mainly funded by advertising and other income generated from its own media operations. From the perspective of the shareholder structure, CGTNC is directly controlled by CCTV, a state television broadcaster, which is not a disqualified person.
- From the perspective of 'de facto control', the Global Editorial Board exercises independent editorial control over the CGTN service. The board of directors, with significant media and management experience, is in fact in charge of the operation of the CGTN service. Neither the Global Editorial Board nor board of directors is a disqualified person.
- Although CCTV is currently being integrated into China Media Group, CCTV continues to exist as an independent legal person under Chinese law and its institutional nature remains unchanged.
- On point iii), CGTNC said that the CGTN service has been broadcast in the UK for 18 years. It has covered news events around the world while upholding the principles of objectivity, rationality and balance. The CGTN service provides "rich and diverse media information services for the global English audience, which has been recognized by its global counterparts and overseas audiences."

- As a state television broadcaster, CCTV has long attached great importance to its co-operation with the British media. CCTV also plays an important role in promoting cultural exchange, mutual trust and cooperation between China and the UK.
- CGTNC asked Ofcom to approve the Transfer Application to ensure that CGTN service continues being broadcast in the UK and remains “the bridge of communication between the people of the two countries.” It indicated its willingness to actively cooperate with Ofcom to seek appropriate solutions to this issue and to enhance its training and education regarding relevant UK laws and regulations, to ensure that CGTN service is legally distributed and broadcast in the UK.

Further correspondence with CGTNC regarding its Transfer Application following the Provisional Revocation Notice

40. On 23 November 2020, Ofcom wrote to CGTNC regarding the statements it had made in its written representations in respect of its Transfer Application.
- We noted that the concerns set out in Ofcom’s letter of 2 April 2020, regarding the entity in control of CGTNC (CCTV), had not been addressed. We again set out our statutory obligations to do all that we can to prevent disqualified persons from holding a licence.
 - We explained that in order for Ofcom to be able to assess properly the Transfer Application, we still required further information, namely:
 - (i) information about whether CGTNC had still intended to undertake the reorganisation as detailed in the Transfer Application, and the details of the steps already taken and the outstanding steps of such reorganisation; and
 - (ii) confirmation of whether CGTNC wished Ofcom to assess the Transfer Application on the basis of the current corporate structure or the structure following the reorganisation. We also explained to CGTNC that, given the Transfer Application was premised on the corporate structure that would apply following the corporate reorganisation, if CGTNC wished Ofcom to consider an application to transfer the Licence to CGTNC based on the current corporate structure, it would have to submit a revised transfer application which provided all the necessary information regarding the body which controlled CGTNC under the current corporate structure. We outlined the further information relating to CCTV that we required.
41. In subsequent correspondence, which is detailed in Annex 1, CGTNC asked for an extension of time until 7 January 2021 to provide the further information requested in Ofcom’s letter of 23 November 2020.¹⁵ CGTNC also confirmed that they were still in the process of reorganising the corporate structure of CGTNC.¹⁶

¹⁵ Emails from CGTNC to Ofcom, 4 and 9 December 2020.

¹⁶ Emails from CGTNC to Ofcom, 9 and 19 December 2020.

42. Ofcom reiterated to CGTNC on 11 December 2020 that, while Ofcom remained willing to consider its Transfer Application, unless CGTNC provided the further information requested in our 23 November 2020 letter regarding the status of the corporate reorganisation and about the bodies which controlled CGTNC, and responded to the concerns regarding CCTV's political affiliations outlined in the Provisional Revocation Notice, we would not be able to progress consideration of CGTNC's Transfer Application. Ofcom also put CGTNC on notice that unless we were able to progress the Transfer Application following receipt of the requested information, then, having taken into account the representations we had received from CGTNC and SCML on the Provisional Revocation Notice, we would proceed to reach a final decision in relation to the revocation process.
43. On 19 December 2020, CGTNC confirmed that it wished Ofcom to consider its request to transfer the Licence to CGTNC based on the current corporate structure, reiterated that it considered neither CGTNC nor CCTV were disqualified persons under the 1990 Act and requested that Ofcom therefore proceed to approve the transfer of the Licence to CGTNC.¹⁷
44. On 14 January 2021, having still received no further information from CGTNC regarding its Transfer Application despite the numerous opportunities given to CGTNC to provide such information, we wrote to CGTNC to put it on notice that we would be convening a meeting of the Ofcom decision makers who would be reaching their final decision on the revocation process.
45. On 29 January 2021, CGTNC confirmed to Ofcom that they did not intend to provide us with the requested information, as they believed that the status of CGTNC's corporate reorganisation and the further information requested by Ofcom were irrelevant to the assessment of the Transfer Application. CGTNC requested again that Ofcom approve their application to transfer the Licence.
46. To date, CGTNC has not submitted a revised transfer application nor provided Ofcom with the further information necessary to address Ofcom's concerns regarding the political affiliations of CCTV and CGTNC outlined in the Provisional Revocation Notice such as to enable Ofcom to progress its Transfer Application.

Ofcom's grounds for its decision on revocation of the Licence

Ofcom's reasons for considering that SCML has ceased to provide the Licensed Service

47. Section 238(4) of the 2003 Act provides that Ofcom may revoke a TLCS licence if it is satisfied that the holder of the licence has ceased to provide the licensed service and that it is appropriate to revoke the licence. This is reflected in Condition 28(2)(a) of the Licence which states that:

"Ofcom may revoke the Licence by notice in writing served on the Licensee and taking effect from the time of service if Ofcom is satisfied that the Licensee: (a) has ceased to provide the Licensed Service and it is appropriate to revoke the Licence".

¹⁷ Email from CGTNC to Ofcom, 19 December 2020.

48. Based on CGTNC's Representations and the information that has been provided to us by SCML and CGTNC in response to Ofcom's first and second information requests, we consider that SCML, the current holder of the licence, is not the provider of the CGTN service within the meaning of section 362(2) of the 2003 Act. This is on the basis that SCML does not exercise editorial control over the programmes included in the CGTN service (i.e. control over the selection and organisation of programmes included in the service). Rather, SCML appears to be the distributor of the CGTN service in the UK.
49. Neither SCML nor CGTNC has challenged the proposition that the wrong entity is providing the Licensed Service. In its Representations CGTNC confirmed that it is the entity with general control over the CGTN service.
50. This position is further evidenced by the original Cooperation Agreement between China International Television Corporation (now CCTV) and Star (China) Ltd ("the Cooperation Agreement"), the various supplemental agreements to the Cooperation Agreement and the Agreement between CCTV and SCML on the rebroadcasting of CGTN HD channel ("the HD Agreement"). In particular, in accordance with the terms of the Cooperation Agreement as amended by the various supplemental agreements (in particular Clauses 2.1, 3.1, 3.2 and 5.1) and the HD Agreement (in particular Clauses 1.1, 1.2, 7.2 and 15.3), SCML does not appear to have any responsibility for selecting or compiling the programme schedule, but rather retransmits/rebroadcasts the CGTN service in the UK in the form provided to it by CCTV and/or CGTNC. Further, it appears that it is CCTV and/or CGTNC which is responsible for ensuring that the CGTN service is in compliance with UK law, including the Broadcasting Code.
51. None of the employees involved in the day to day running of, or decision-making for, the Licensed Service appear to be employed by SCML. Rather, CGTNC's Representations state that the Global Editorial Board is the ultimate decision maker when it comes to the selection and organisation of programmes for the CGTN service, and exercises editorial control. CGTNC's representations further state that the Global Editorial Board is mainly constituted by CGTNC staff.
52. In addition, SCML/CGTNC's response of 10 March 2020 to Ofcom's first information request of 26 February 2020 ("the first response") states that staff involved in the day to day running of the CGTN service are employed by CGTNC, or its overseas subsidiaries such as CGTN Europe Ltd. We understand that staff in Beijing are employed by CCTV. Furthermore:
- SCML/CGTNC's response of 27 March 2020 to Ofcom's second information request of 12 March 2020 ("the second response") states that: "the Heads of Beijing HQ and each production centre are responsible for the programme content selection and scheduling and compliance of their respective segments of the licensed service."
 - The second response also states that: "CGTNC is in charge of the global operations and programming production services of CGTN. CGTN Europe Ltd (a wholly-owned subsidiary of CGTNC) is responsible for the daily operations, programming production services and recruitment of staff of the CGTN European Production Centre."

- The Charter of the Global Editorial Board of the CGTN English Channel (“the Charter”), states at paragraph 2.1 that: “The Board is the ultimate independent editorial decision-making body of the Channel [CGTN], and shall have the right to develop and determine the channel’s editorial policies and principles, guide and supervise the overall operation of the Channel, and ensure that the operation of the Channel complies with Objectives and Guiding Rules as well as other rules and policies of CGTN including the CGTN Broadcast Handbook”.
- The Charter also states at paragraph 2.3: “Each production center is independent in terms of its editorial decision-making. Each center is responsible for the content and arrangement of respective time slots. The Board takes charge in coordinating between production centers and ensures the consistency of editorial policies between the Beijing Headquarters and the production centers. The Board also coordinates between all production centers to ensure cooperation during times of major news coverage, breaking news, and/or other coverage that requires global deployment of resources.”

53. We understand that the Global Editorial Board is not a corporate body and has no separate legal personality. Based on the information provided, it appears clear to us that the Global Editorial Board is established under the control of CGTNC and/or CCTV.

Ofcom’s reasons for considering that it is appropriate to revoke the Licence

54. The consequence of revoking the Licence is that it prevents the CGTN service from being broadcast unless and until a new licence were granted for the provision of the service. Revocation of the Licence is therefore a significant interference with the rights of the Licensee and CGTN’s audience under Article 10 of the Convention to freedom of expression and to receive ideas and information without interference. Ofcom has therefore carefully considered whether it is necessary and proportionate to revoke the Licence in all the circumstances.
55. The broadcasting regulatory framework relies on Ofcom being able to identify who is providing the licensed service at all times and being able to hold broadcast licensees to account for their compliance with the terms and conditions of their licences. This is reflected in the fact that broadcast licences must be issued to the person who is the “provider of the service” within the meaning of section 362(2) of the 2003 Act. It is also important for Ofcom to understand whether the correct person is applying for, or holds, a broadcasting licence in order to be able to fulfil our duties to ensure that the relevant person is not subject to any statutory restrictions which would preclude them from obtaining or retaining such a licence – this includes Ofcom’s duties under section 5(1)(a) of the 1990 Act to do all we can to secure that a person does not become or remain the holder of a licence if he is a person who is a disqualified person in relation to that licence by virtue of Part II of Schedule 2 to that Act.
56. It is the responsibility of service providers to ensure that they are appropriately licensed.¹⁸ In this case, the Licence is incorrectly held by SCML which does not in fact provide the CGTN service, but rather is acting as its distributor. Given the impact of revocation of the Licence on

¹⁸ Ofcom [guidance regarding the licensing position on the ‘provider of the service’ and the ‘sub-letting of capacity’](#), paragraph 1.2.

freedom of expression, Ofcom has had extensive engagement with CGTN on this matter (as is set out above and in the Annex) in order to assist them to take the necessary steps to ensure the CGTN service is properly licensed. Ofcom has also carefully assessed whether the Licence could be transferred to CGTNC in light of its Transfer Application. To date SCML and CGTNC have had over ten months and numerous opportunities since our letter of 2 April 2020 to bring themselves into compliance with the licensing requirements for the CGTN service. However, despite the length of time that has elapsed, we are unable to approve the Transfer Application to CGTNC for the reasons set out below, meaning that the CGTN service remains incorrectly licensed contrary to the requirements of the statutory scheme.

Ofcom's concerns regarding the person providing the CGTN service and reasons why it considers CCTV and CGTNC to be 'disqualified persons' and is unable to grant the Transfer Application

57. Ofcom may consent to the transfer of a Broadcasting Act licence to another person, but only if Ofcom is satisfied that any such other person would be in a position to comply with all of the conditions included in the licence which would have effect during the period for which it is to be in force, and would not be a 'disqualified person' within the meaning of section 5(1)(a) and Part II of Schedule 2 to the 1990 Act.
58. Ofcom has carefully considered CGTNC's Transfer Application and CGTNC's representations as to why it considers that Ofcom should allow the Licence to be transferred to CGTNC. However, the Transfer Application submitted was incomplete, and is premised on the incorporation of a new corporate entity and the equity reorganisation of CGTNC, neither of which has been completed.
59. Although CGTNC confirmed on 19 December 2020 that it wished Ofcom to consider the Transfer Application on the basis of its current corporate structure, despite our repeated requests, CGTNC has failed to submit a revised transfer application which provides the necessary information regarding the entities which control CGTNC under the current corporate structure, i.e. further information relating to CCTV. Nor has CGTNC provided Ofcom with any further information or evidence that addresses Ofcom's concerns, as set out in our Provisional Revocation Notice, regarding the political affiliations of CCTV and its relationship to the Chinese Communist Party.
60. In CGTNC's Representations, it asserted that CCTV and CGTNC were not disqualified persons but did not provide any evidence to support this. CGTNC's Representations merely repeated information about CCTV already provided to Ofcom in previous correspondence, i.e. that it continues to exist as an independent legal person under Chinese law.
61. On 29 January 2021, CGTNC informed Ofcom that they believed that they had provided Ofcom with sufficient information for Ofcom to assess the Transfer Application and approve the transfer of the Licence to CGTNC, and that they believed that neither the status of CGTNC's corporation reorganisation nor the supporting information requested by Ofcom was directly relevant to the assessment of the Transfer Application. We therefore understand that CGTNC do not presently intend to provide Ofcom with any of the further information that we requested in respect of their Transfer Application.

62. Ofcom considers that CGTNC is both controlled by, and therefore an associate of, a person whose objects are wholly or mainly of a political nature and/or is controlled by a body whose objects are wholly or mainly of a political nature, namely CCTV. For this reason, Ofcom considers that CGTNC is itself currently a disqualified person under the UK statutory scheme. In the circumstances, Ofcom is unable to grant an application for a licence from CCTV or any company ultimately controlled by CCTV, including CGTNC, and we are therefore unable to grant CGTNC's Transfer Application. Our reasons for these conclusions are set out below.

CCTV

63. Based on CGTNC's Representations, the information provided in SCML/CGTNC's second response and CGTNC's letter of 22 October 2020, it is clear that CGTNC, the person who is currently providing the Licensed Service, is controlled by CCTV, who is the sole shareholder of CGTNC.
64. CGTNC has provided limited information regarding who exercises ultimate control of CCTV. SCML/CGTNC's second response stated that while CCTV, alongside China's other state-owned broadcasters, is to be integrated into a single media entity, China Media Group, this process is not yet complete, and CCTV continues to exist as an independent legal person under Chinese law. CGTNC reiterated this point in its Representations.
65. We note that this statement appears to be inconsistent with the information provided to Ofcom by CGTN in its letter of 14 October 2019 relating to a broadcasting standards investigation. In that letter, CGTN stated "CGTN is the international English language news channel of China Media Group, China's public broadcaster on television and radio". News articles on CGTN's own website also report on an inauguration ceremony taking place for China Media Group, "a new broadcasting platform made up of China Central Television (CCTV), China Radio International (CRI) and China National Radio (CNR)".¹⁹
66. Furthermore, CGTN's website previously stated that the CGTN service was "launched by CCTV on December 31, 2016. It is now part of China's predominant radio and television broadcaster, China Media Group, which has incorporated CCTV, CNR and CRI since March 2018" as referenced in our first information request of 26 February 2020. At the time of issuing our Provisional Revocation Notice, this web page appeared to have been edited, and read "[CGTN] is an international media organisation launched on December 31, 2016. It is the international division of CCTV, which – along with CNR and CRI – will collectively be known as the China Media Group". Since our Provisional Revocation Notice, this web page appears to have been edited again, and now reads "[CGTN] is an international media organisation launched on December 31, 2016. It aims to provide global audiences with accurate and timely news coverage as well as rich audiovisual services, promoting communication and understanding between China and the world, and enhancing cultural exchanges and mutual trust between China and other countries".²⁰
67. We understand that following an announcement by the Chinese Communist Party in March 2018, CCTV and China's other state broadcasters were to be merged into a single state entity

¹⁹ <https://news.cgtn.com/news/314d544e356b7a6333566d54/share.html>.

²⁰ <https://www.cgtn.com/about-us>.

directly under the State Council, and under the leadership and supervision of the Central Propaganda Department (also referred to as the Publicity Department).²¹ The previous organisational structure of CCTV was to be removed.²² The CGTN service was also included in this merger.²³ We understand that the principal responsibilities of the merged entity include publicising the theories, guidelines and policies of the Chinese Communist Party and to plan and manage major propaganda reports.²⁴

68. CGTNC has not provided any information or evidence to counter the suggestion that, as envisaged by the announcement of March 2018, the Publicity Department is exercising leadership and supervision over CCTV via the China Media Group. Therefore, regardless of whether or not CCTV still exists as a separate legal person under Chinese law as submitted by CGTNC, it appears that the body exercising ultimate control over CCTV – and thus CGTNC – is an organ of the Chinese Communist Party and therefore a body whose objects are wholly or mainly of a political nature, or is at least controlled by a body whose objects are wholly or mainly of a political nature, within the meaning of Part II, Schedule 2 to the 1990 Act.²⁵

CGTNC

69. CCTV is currently the sole shareholder of CGTNC, as most recently confirmed by CGTNC in its email of 19 December 2020. In addition, CGTNC accepted in its Representations that it is currently “directly controlled” by CCTV. Among other things, we note that the Chairman of the Board of Directors of CGTNC and the legal representative of CGTNC, Mr Sun Yusheng, is also the Vice President of CCTV. As set out above, there is a statutory prohibition on the holding of a licence by a person who is controlled by, or is an associate of, a body whose objects are wholly or mainly of a political nature.
70. We acknowledge that CGTNC has stated that the Global Editorial Board has complete editorial independence in respect of the Licensed Service and that a board of directors with media and management experience is in fact in charge of the operation of the CGTN service. We also acknowledge that CGTNC has said that CCTV is subject to the industry guidance issued by the National Radio and Television Administration of China and is mainly funded by advertising and other income generated from its own media operations. However, these facts, if true, do not affect our analysis. A person is a ‘disqualified person’ within the meaning of section 5(1)(a) of the 1990 Act not only if that person itself is a body whose objects are wholly or mainly of a

²¹ <http://chinamediaproject.org/2018/03/22/when-reform-means-tighter-controls/>; <https://www.nytimes.com/2018/03/21/world/asia/china-communist-party-xi-jinping.html>; <https://news.cgtn.com/news/314d544e356b7a6333566d54/share.html>, http://www.xinhuanet.com/2018-03/21/c_1122570517.htm (see Ofcom’s translation of 17 April 2020).

²² <http://chinamediaproject.org/2018/03/22/when-reform-means-tighter-controls/>; http://www.xinhuanet.com/2018-03/21/c_1122570517.htm (see Ofcom’s translation of 17 April 2020).

²³ <https://news.cgtn.com/news/794d444f7a6b7a6333566d54/share.html>, http://www.xinhuanet.com/2018-03/21/c_1122570517.htm (see Ofcom’s translation of 17 April 2020).

²⁴ <http://chinamediaproject.org/2018/03/22/when-reform-means-tighter-controls/>; <https://news.cgtn.com/news/794d444f7a6b7a6333566d54/share.html>, http://www.xinhuanet.com/2018-03/21/c_1122570517.htm (see Ofcom’s translation of 17 April 2020).

²⁵ See *R v Radio Authority ex parte Bull* [1998] QB 294 which indicates that the words “wholly or mainly” can be construed as referring to bodies whose objects are “substantially or primarily political”.

political nature,²⁶ but also if it is controlled by (in which case it will also be an associate of) such a body or is controlled by a body which is itself controlled by a body whose objects are wholly or mainly of a political nature. “Control” for these purposes includes the holding of or beneficial entitlement to more than 50% of the equity capital or more than 50% of the voting power.²⁷ We understand from the information provided to us that CCTV is the sole shareholder of CGTNC. On this basis, CGTNC is disqualified because CCTV controls, and is an associate of, CGTNC, and CCTV either is itself, or is controlled by, a body whose objects are wholly or mainly political, by virtue of its relationship with the Chinese Communist Party via China Media Group.

Conclusion

71. In deciding whether it is appropriate and proportionate to revoke the Licence, Ofcom has had regard to both the broadcaster’s and audience’s rights to freedom of expression and CGTNC’s and SCML’s submissions that the CGTN service has been broadcasting for a number of years and is valued by its global and UK audience. We would underline that Ofcom recognises the rights of broadcasters to provide television services that offer audiences different viewpoints on news and current affairs, including viewpoints that are supportive of, or critical of, the policies or viewpoints of particular governments or states, provided they comply with the UK statutory framework for broadcasting.
72. However, in light of our statutory duties to ensure that a broadcasting licence is held by the provider of the service, the considerable amount of time and numerous opportunities we have already afforded to SCML and CGTNC to ensure that the CGTN service is properly licensed, and our view that CGTNC would currently be disqualified from holding a broadcasting licence under the UK statutory scheme, we consider that it would be appropriate to revoke the Licence in the circumstances of this case.
73. For all the reasons set out above, we consider that SCML has ceased to provide the Licensed Service and that it is appropriate to revoke the Licence in accordance with section 238(4) of the 2003 Act and Condition 28(2)(a) of the Licence. The Licence is revoked with immediate effect upon service of this Notice.
74. The CGTN service must cease broadcasting immediately. It may only begin broadcasting again if a new licence is granted for the provision of the service. Such a licence may only be granted to an entity which meets the requirements of section 5(1)(a) and Schedule 2 of the 1990 Act.

Ofcom

4 February 2021

²⁶ And therefore falling within paragraph 1(1)(d) of Part 2 of Schedule 2 to the 1990 Act.

²⁷ Paragraph 1(1)(hh) of Part 2 of Schedule 2 to the 1990 Act.

Annex 1 – Chronology of correspondence

Correspondence with CGTNC prior to starting the revocation process

- **26 February 2020:** Ofcom requested information from SCML regarding its control and ownership (“Ofcom’s first information request”);
- **28 February 2020:** Ofcom granted a one week extension for SCML/CGTNC to provide the requested information;
- **10 March 2020:** SCML and CGTNC jointly provided information in response to Ofcom’s first information request;
- **12 March 2020:** Ofcom requested further information from SCML/CGTNC (“Ofcom’s second information request”);
- **13 March 2020:** Ofcom granted a two week extension for SCML/CGTNC to provide the requested information;
- **27 March 2020:** SCML and CGTNC jointly provided information in response to Ofcom’s second information request;
- **2 April 2020:** Ofcom set out its concerns that the person providing the CGTN service is not the Licensee and that it appeared to us likely that the person/s who may be providing the CGTN service would be disqualified from holding a licence due to their political affiliations. We stated that given our understanding that SCML is not the person providing the Licensed Service, subject to representations, we were minded to begin the process to revoke SCML’s licence. We informed them that we would consider a transfer application, but that we would require sufficient evidence to be satisfied that the applicant was not a disqualified person before we could grant a licence;
- **17 April 2020:** Ofcom provided SCML and CGTNC with a copy of a translation of an announcement referred to in our letter of 2 April 2020;
- **6 May 2020:** CGTNC’s UK legal advisers, Baker & McKenzie, said that CGTNC accepted that SCML should no longer hold the licence for the CGTN service and confirmed that it would seek to transfer the licence to the entity which exercises general control over the CGTN service, and was exploring ways to reorganise the CGTN division of CCTV with a view to making a licence transfer application;
- **19 May 2020:** CGTNC’s UK legal advisers, Baker & McKenzie, wrote to Ofcom indicating that CGTNC anticipated it would take CGTNC six to twelve months to complete the restructuring process prior to making a licence transfer application;
- **22 May 2020:** in response to Baker & McKenzie’s letter of 19 May 2020, Ofcom indicated that the six to twelve month timeframe for completing the proposed reorganisation and making a licence transfer application was not satisfactory. We stated that the licensing position with regard to the CGTN service must be regularised within a shorter timeframe;

- **12 June 2020:** CGTNC’s UK legal advisers, Baker & McKenzie, wrote to Ofcom indicating that CGTNC was prepared to seek to undertake a more limited reorganisation, which they anticipated would take approximately two to three months, with a view to then making a licence transfer application;
- **16 June 2020:** in response to the 12 June letter from Baker & McKenzie, Ofcom confirmed that it expected SCML/CGTNC to submit a transfer application by 16 August 2020. Ofcom also emphasised that it could not provide assurances that the measures proposed by CGTNC with regard to its global restructure would comply with the statutory scheme on who may hold a broadcast licence;
- **6 August 2020:** CGTNC’s UK legal advisers, Baker & McKenzie, wrote to Ofcom on behalf of CGTNC requesting an extension of one month to complete the reorganisation process prior to filing a licence transfer application;
- **10 August 2020:** Ofcom granted a one month extension for SCML/CGTNC to submit the transfer application, the revised deadline being 16 September 2020. Ofcom emphasised that we would not be able to grant any further extensions of time beyond this date.

Ofcom also had several meetings with representatives from CGTNC and their UK legal advisers, Baker & McKenzie, during April, May and June 2020 to discuss this matter.

Correspondence regarding CGTNC’s Transfer Application

- **16 September 2020:** Ofcom received an application to transfer the Licence to CGTNC (“the Transfer Application”). CGTNC also requested an additional three month extension of time until 16 December 2020 to complete an “equity transfer agreement” in respect of CGTNC’s equity.
- **17 September 2020:** Ofcom wrote to CGTNC requesting further information which it required to consider the Transfer Application.
- **23 September 2020:** CGTNC wrote to Ofcom in response to Ofcom’s request for further information regarding the Transfer Application.
- **6 October 2020:** Ofcom wrote to CGTNC explaining that:
 - CGTNC’s response of 23 September 2020 to Ofcom’s request for further information provided incomplete answers to the questions set out in Ofcom’s request and we considered that we still did not have sufficient detail to assess properly the Transfer Application.
 - Ofcom may only grant the Transfer Application once it is satisfied that the proposed licensee, CGTNC, complies with the broadcast licensing statutory scheme.
 - The Transfer Application was premised on the incorporation of a new corporate entity which would be a public institution under Chinese law (“CGTNPI”), and the equity reorganisation of CGTNC, neither of which was yet complete. We were therefore not in a position to be able to assess properly the Transfer Application.

- In light of our statutory duties to ensure that a broadcasting licence is held by the provider of the service, and to prevent disqualified persons from becoming or remaining licence holders, as well as the considerable amount of time we have already afforded CGTNC to regularise its licensing position, we were unable to grant CGTNC's request for an extension of time to 16 December 2020. We indicated we were willing to continue to work on the Transfer Application, but we would also need at the same time to commence the process of considering whether or not to notify platform providers of our view that the service is broadcasting unlawfully and to revoke the Licence.

Correspondence regarding the revocation process

- **15 October 2020:** Ofcom wrote to SCML to set out our timetable and process for considering whether to revoke the Licence, including how and when SCML and CGTNC would have a full and fair opportunity to make representations. We gave SCML the opportunity to provide representations on the proposed timetable. Ofcom also wrote separately to CGTNC on the same date, providing it with a copy of our letter to SCML, and reminding it that providing a television service without a licence is a criminal offence under section 13(1) of the Broadcasting Act 1990.
- **22 October 2020:** CGTNC provided the following representations on our 15 October 2020 letter:
 - CGTNC requested that Ofcom postpone the commencement of the licence revocation process for 60 days, because SCML had indicated it was willing to transfer the Licence to CGTNC (which CGTNC said "has been agreed by Ofcom") but it required further time to complete the equity reorganisation of CGTNC. It also needed more time to consider its distribution agreements and contractual arrangements with UK operators, technical issues relating to broadcasting the CGTN service and the extent of losses which would be caused by ceasing to broadcast this service.
 - CGTNC also wished to remind Ofcom that CCTV, the current shareholder of CGTNC, is still in existence and is a legal entity. It noted the nature of the CCTV entity has not changed.
- **2 November 2020:** Ofcom issued the Provisional Revocation Notice which notified SCML that Ofcom was currently minded to revoke the Licence under Condition 28(2)(a)²⁸ and section 238(4) of the 2003 Act on the basis that SCML was not acting as the provider of the CGTN service and that they had opportunity to provide written and oral representations on the matters contained in the Provisional Revocation Notice. Given its direct interest in the CGTN service, we also provided CGTNC with a copy of the Provisional Revocation Notice and offered it the same opportunity to make written and oral representations on this matter.
- **16 November 2020:** CGTNC and SCML made written representations to Ofcom on the Provisional Revocation Notice.

²⁸ When Ofcom issued the Provisional Revocation Notice, the relevant licence condition was Condition 29 as explained in footnote 3. We refer to Condition 28 throughout this Notice for ease of reference.

Further correspondence with CGTNC in respect of CGTNC's Representations to the Provisional Revocation Notice and the Transfer Application

- **23 November 2020:** Ofcom wrote to CGTNC to confirm receipt of CGTNC's Representations. In that letter:
 - We stated that the concerns set out in the letter of 2 April 2020, regarding the entity in control of CGTNC (CCTV), have not been addressed. We again set out our statutory obligations to prevent disqualified persons from holding a licence.
 - We requested further information regarding the Transfer Application, namely:
 - (i) whether CGTNC had still intended to undertake the reorganisation as detailed in the Transfer Application, and the details of the steps already taken and the outstanding steps of such reorganisation; and
 - (ii) whether CGTNC wished Ofcom to assess the Transfer Application on the basis of the current corporate structure or the structure following the reorganisation. We explained that we required further information on the corporate structure in order to assess the Transfer Application, setting out specific corporate documents²⁹ required in relation to CGTNPI or CGTNC, depending on how CGTNC wished Ofcom to assess the Transfer Application.
 - We reaffirmed that CGTNC had the right to make oral representations in respect of the Provisional Revocation Notice and asked if CGTNC wished to exercise this right.
- **23 November 2020:** Ofcom also wrote separately to SCML on 23 November 2020 to reaffirm their right to make oral representations in respect of the Provisional Revocation Notice and asked if SCML wished to exercise this right.
- **30 November 2020:** both CGTNC and SCML confirmed that they did not intend to make oral representations.
- **4 December 2020:** CGTNC wrote to Ofcom to request an extension of time of one month to submit the information requested in Ofcom's letter of 23 November 2020, proposing a deadline of 7 January 2021. Ofcom responded stating that, in order to consider this request, we needed to know CGTNC's response to the two questions related to the Transfer Application, as raised in our letter of 23 November 2020.
- **9 December 2020:** CGTNC confirmed that they are still in the process of reorganising the corporate structure of CGTNC, and reiterated that the current shareholder of CGTNC was CCTV.

²⁹ This information included: a copy of the constitution of the body with control over CGTNC; a translation of the law under which that body is incorporated; confirmation about whether that body had or would have any shareholders and if so, who they are or would be; an explanation of that body's management structure, including, but not limited to, who is able to take decisions about the appointment or dismissal of its Board and senior management team; any documents setting out the relationship between that body and CGTNC; and the level of control that body could exercise over CGTNC (for example, a shareholder's agreement).

- **11 December 2020:** Ofcom wrote to CGTNC:
 - We queried whether the reorganisation referred to in their email of 9 December 2020 was the same as the reorganisation described in the Transfer Application.
 - We requested further details on the current status of the reorganisation, and what further steps needed to be taken to complete the reorganisation.
 - We noted that the second question in respect of the Transfer Application in our letter of 23 November 2020 (which we reiterated in our letter of 5 November 2020) remained unanswered.
 - We highlighted that, without the requested information, we would take steps to reach a final decision in the revocation process. We stated we expect to make a final decision in January 2021.

- **19 December 2020:** CGTNC wrote to Ofcom in response to Ofcom’s letter of 23 November 2020:
 - CGTNC confirmed that the reorganisation had not yet been completed and reiterated that they did not consider CGTNC nor CCTV to be disqualified persons from holding a broadcasting licence.
 - CGTNC requested that Ofcom consider the Transfer Application on the basis of its current corporate structure.

- **14 January 2021:** Ofcom wrote to CGTNC to put it on notice that we would be convening a meeting of the Ofcom decision makers on 1 February 2021, who would be reaching their final decision on the revocation process.

- **29 January 2021:** CGTNC wrote to Ofcom in response to Ofcom’s letter of 14 January 2021:
 - CGTNC reiterated that CCTV is a Chinese state television company, and that CGTNC is a professional media company incorporated under Chinese law.
 - CGTNC acknowledged Ofcom’s requests for further information. CGTNC stated that they did not believe that CGTNC’s corporate reorganisation or the responses to Ofcom’s further information requests were relevant to the assessment of the Transfer Application. CGTNC considered that all information they had provided to date is sufficient for Ofcom to assess and approve the Transfer Application.
 - CGTNC stated that they had cooperated with Ofcom by responding to our information requests and proposing to transfer the licence in order to regularise the licence position, and requested that Ofcom approve the Transfer Application accordingly.