Nigerian Communications Commission Issues Guidance on the Simplification of Tariffs to Telecommunications Operators

Introduction:

The Nigerian Communications Commission (NCC) on the 29th of July 2024 issued a Guidance on the Simplification of Tariffs in the Nigerian Communications Sector (the "**Guidance**") to (a) simplify tariff plans and bundles, (b) ensure promotional elements of tariff plans are transparent and fair, (c) improve consumer understanding and (d) foster fair competition amongst NCC licensees.

The Guidance requires Mobile Network Operators (MNOs) to apply all the rules of the Guidance to all retail products offered to individual subscribers (both prepaid and postpaid). Whilst other categories of Individual licensees[1] are required to apply only the disclosure requirements, transparency template and the conditions for tariff approvals.

The provision of the Guidance is required to be read in conjunction with the existing legislations relevant to tariff matters. Whilst we note that the Guidance applies to MNOs and individual licensees, the term "operators" has been used throughout the Guidance, our view is that operators can only mean MNOs and other individual licensees, the challenge however arises in the general use of the word operators even in instances where the relevant part of the Guidance only applies to the MNOs.

Below are some highlights of the Guidance:

Highlights

1) Number of Tariff Plans and Bundles: The Guidance limits the number of tariff plans to be offered by operators to a maximum of seven (7), whilst the number of bundles to be offered to a maximum of hundred (100). However, there are no limitations to the number of add-ons a subscriber can opt-into. To comply with the provision of this Guidance MNOs may have to restructure their current docket of tariff and bundles.

[1] Individual license is a type of authorization in which the terms, conditions and obligations, scope and limitations are specific to the service being provided.

2) Unbundling of Promotional Elements: The Guidance whilst allowing MNOs maintain existing bonus-led tariff plans till *31st December 2024,* requires all new promotional elements (including bonus) to be offered as standalone promotions. Examples of promotional elements that must be unbundled are (a) loyalty rewards, (b)regressive billing (c) additional percentage of service element on recharge (i.e., *5x on your 100*-naira recharge) etc. Certain exceptions are available under the Guidance which allow operators to maintain only one (1) bonus-led new subscriber acquisition plan to be retained for a limited period of six (6) months before being migrated to a standard tariff plan of their choice.

3) Unbundling of Add-ons: The Guidance requires that add-on subscriptions must be optional, and subscribers must be able to purchase any add-on while maintaining their existing tariff plan. Free add-ons are to be treated as promotional offerings. Such add-ons include access to premium contents (streaming services, premium channels, etc.); roaming packages; extra online space, etc.

4) Disclosure and Transparency: The Guidance mandates licensees to publish on their website (in a tab dedicated to tariff information), a table showing characteristics of the tariff plans and bundles offered. The table must contain all information that is necessary to enable the subscriber to make an informed decision. The Guidance provides a mandatory disclosure table template that operators must use to provide all necessary information.

5) Additional Conditions for Tariff Approvals: The Guidance provides for additional conditions for approvals of tariff, which includes the requirements that (i) operators must offer standalone data bundles with fair prices to avoid tying consumers with products that are unnecessary, (ii) bundles with shorter validity periods should be prioritised for depletion,(iii) below-the-line/personalised offers, deals, cashbacks etc. offered directly by licensees and or via third-party platforms must also comply with the conditions for tariff approval and/or guidelines on promotions (iv) access fees and asymmetric fee structures must be eliminated, etc.

6) Subscriber Notification and Procedures for Approval: The Guidance requires operators to notify subscribers of any changes to their tariff plans, including migration to new plans, at least 30 days in advance. In respect of procedure for tariff approval, operators must submit all tariff plans, bundles, and promotions for approval through the NCC's designated online portal. Submissions must include detailed documentation, such as plan descriptions, pricing, terms, and conditions.

Conclusion

In conclusion, licensees (MNOs & other categories of licensees) are required to align their offerings (tariffs, bundles, etc.) with the Guidance within ninety (90) days from the date of issuance. Additionally, operators are required to submit transition plans for existing tariffs to the NCC on or before the 12th of August 2024. Non-compliance with the Guidance may result in penalties, including fines, suspension of tariff approvals, or other regulatory actions by the NCC.

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