

INTRODUCTION

The mobile networks have been primarily used in providing telecommunications services to both individuals and corporate bodies, essentially through voice and data packages. The networks and services have however evolved over time culminating into provision of Value Added Services (VAS) that enhances the optimal utilization of the network in favour of the network operators and their subscribers. Mobile payment systems are now being provided effectively on mobile networks as VAS.

Mobile payment has been described as an alternative payment method. Instead of paying with cash, cheque, or credit cards, a consumer can use his mobile phone to pay for a wide range of services and hard goods. It also encompasses any payment where the mobile phone is involved in the initiation and/or confirmation of the payment.

A wide range of services and digital or hard goods can be paid for using mobile phone including but not limited to the underlisted;

- Music, videos, ringtones, online games subscription or items, wallpapers and other digital goods
- Transportation fare bus, subway or train), parking meters, and other services
- Books, magazines, tickets, and other hard goods
- Utilities such as water, electricity, gas, etc

OBJECTIVES OF THE LICENSE

Mobile payment services are generally regarded as Value Added Services to the Mobile network operators. Payments are effected through the airtime of a mobile subscriber, mobile wallet, credit card details on a mobile handset, access to the merchant's platform via short codes etc.

Consequently, the Telecom Regulator needs to license Mobile payment Service Providers to ensure the following;

1. Type approval of equipments and platforms that rides on the networks of Mobile Network Operators to ensure interoperability
2. Uninterrupted quality of service on the Mobile Network Operators
3. Consumer protection for both subscribers of the Mobile Network Operators and Value added Service Providers
4. Promotion of Investments among other things

SCOPE OF THE LICENSE

The Central bank of Nigeria has already considered and granted approval to 16 Companies to embark on a pilot trial of Mobile Payment in Nigeria. Approvals were granted based on two models namely; Bank led model and Consortium model which entails collaboration among Banks, Mobile Operators and led by a trusted third party.

The scope of the Mobile Payment License should cover the following;

1. Premium Short Messaging Service (SMS) based transactional payment
2. Direct Mobile Billing
3. Mobile Web Payment (WAP)
4. Contactless Near Field Communication (NFC)
5. Other services may be considered and adopted for the license by the Commission from time in view of the rapid changes in the industry

LICENSE CONDITIONS/OBLIGATIONS

Mobile Payment services as pointed earlier is a Value added Service that rides on the platform of the Mobile Network Operators to deliver services. There already exist a Value added Service as a license undertaking, therefore in addition to all conditions and obligations of the existing Value Added Service License, Mobile Payment Service Licensee must at all time adhere to the following guidelines and obligations;

1. Licensee must ensure that equipments/applications used for mobile payments are type approved and ensure interoperability between different network operators and banks.
2. Licensee must not in any way interrupt or adversely affect the quality of service rendered by Mobile network operators. Both MNOs and Vas must ensure that applications are configured with minimal or no effect on the quality of service.
3. Services should be rendered based on adequate privacy and security to consumers. Licensees must ensure an-end – to-end security is provided in delivering services.
4. Licensees must ensure that mobile phone subscriber have registered their SIMs before enlisting them as subscribers of Mobile Payment Services
5. Licensee must comply with all other guidelines and regulations from other regulatory bodies in the country especially, the Central bank of Nigeria

LICENSE FEE

The License Fee is provisionally set at ₦1,000,000.00 (One Million Naira) only, which may be subject to review as the Commission deems fit.

TENURE

The license is for a period of five years in the first instance, renewable on equal terms upon fulfillment of the requirements for renewal which includes but not limited to the license terms and conditions/obligations.