



REPORT OF THE STAKEHOLDERS' FORUM ON THE DRAFT APPLICATION TO PERSON (A2P) FRAMEWORK

1.0 INTRODUCTION

The Nigerian Communications Commission (the Commission) in exercise of its powers under the Nigerian Communications Act 2003 (the Act), commenced the process of developing a Framework on Licensing Application to Person (A2P) Services in Nigeria. The Commission has developed a Draft Framework in that regard. Based on the Commission's policy of participatory rule-making, the Draft Framework was published on its website for comments from the general public, particularly its licensees and other stakeholders.

Further to this, the Commission received submissions from various stakeholders within the 21-days stipulated by Section 58 of the Nigerian Communications Act 2003 (Act). Consequently, as required by Section 58 of the Act, a Stakeholders Forum on the Draft Licensing Framework was held on Friday, December 20, 2024 after a Notice was published in two National Dailies (ThisDay and Leadership Newspapers) and the Commissions website on Friday, November 29, 2024.

2.0 THE STAKEHOLDERS FORUM

The Stakeholders Forum held virtually as scheduled. It commenced at 10:30am and was chaired by the Head, Legal and Regulatory Services Department, Mrs Chizua Whyte, representing the Executive Vice Chairman and Chief Executive Officer (EVC/CEO) of the Commission, Dr Aminu Maida. Attendees at the Stakeholders Forum included Staff of the Commission, representatives of telecommunications companies and other interested stakeholders.

The HLR welcomed everyone present, on behalf of the EVC/CEO, noting that the event was key to the rule-making process of the Commission. She urged everyone to apply themselves maximally to the event for the benefit of the industry.

Mrs. Truddy Tony-Awusaku (Assistant Director, Licensing & Authorisation Department) gave an overview of the Draft A2P Licencing Framework. While Miss

Queen-Amina Agbo (Senior Officer, Telecoms Laws & Regulations Unit) made a presentation on the comments received prior to the Stakeholders Forum.

A. GENERAL OVERVIEW OF THE DRAFT A2P LICENSING FRAMEWORK

The Draft A2P Licensing Framework is made up of Twenty-Three (23) parts which provide a regulatory framework for the management of Application-to-Person (A2P). A2P messaging is a communication format in the telecommunications sector used to send Short Message Services (SMS) or for sending notifications from an application directly to a recipient's mobile phone. The term 'application' refers to any web or mobile application or an integrated SMS Application Programming Interface (API) on any platform. The 'person' refers to any user with an active cellular plan and an SMS-enabled mobile device.

A2P is initiated through the internet, but the text messages are transmitted over mobile networks reaching recipients via their cellular connection. This form of messaging is predominantly used by businesses and organisations to deliver bulk promotional or transactional messages, such as marketing campaigns, appointment reminders, announcements, product advertisements, and order status updates. A2P messaging serves as a critical communication channel for citizens, businesses and governmental Institutions alike.

The A2P Framework outlines the licensing process and requirements necessary for entities to engage in A2P messaging services, ensuring compliance and efficient service delivery across mobile networks.

REVIEW OF COMMENTS RECEIVED BEFORE THE STAKEHOLDERS FORUM

1. ROUTELINK SYSTEM LIMITED

1.1 Comment

Application of the A2P Framework: What role will the A2P Aggregator play when the network operators handles it from its end?

Response

The A2P aggregator will handle messaging from all Applications while the Network Operators will continue to handle non-Application-based messaging.

2. MADA COMMUNICATIONS LIMITED

2.1 Comment

Justification for Regulatory Oversight/Licensing through the Creation of a single platform, the Commission will have better control over the International A2P SMS traffic, ensuring compliance with regulations and improving market oversight. The ability to levy international A2P SMS traffic appropriately, ensuring revenues are collected within the country. Revenues generated from international A2P SMS traffic will stay within Nigeria, contributing to the local economy and being subject to local taxation: We propose a redraft as follows: The ability to levy international A2P SMS traffic appropriately, ensuring revenues are collected within the country. Revenues generated from international A2P SMS traffic will stay within Nigeria, which will in turn contribute to the local economy and be subject to local taxation

Response

The Commission notes the comments of MADA but reiterates that the current wording meets the regulatory objectives and respectfully declines this redraft.

2.2 Comment

Introduction of a Section which lists and defines the key stakeholders in the licence framework: We recommend inserting a section in the document that lists and defines the role of each participant/stakeholder in the framework. Case in point is Section 4.1 where “Service Provider” in capitalized form is used without any definition or previous reference. Also, across the document, “Licensees”, “A2P Service Providers” and “A2P Message Providers” are similarly used without definitions, creating a lack of certainty. Another example is Objectives - 1.1 (b) To ensure that all brands and Over-The-Top (OTT) A2P International Service Providers route their A2P SMS traffic through a central hub, ensuring standardized processing and monitoring. (Please note also that numbering for 1.1 to be corrected). A helpful reference is the NCC’s VAS and Aggregator Framework (As amended) (<https://www.ncc.gov.ng/accessible/documents/791-value-added-service-aggregator/file>). See the sections on Market Segmentation & Market Player’s Function and Responsibilities.

Response

The Commission hereby accepts this recommendation, and relevant definitions will be provided.

2.3 Comment

Item 6 (Subscriber protection - Opt In/Out mechanisms): Opt-in/Opt-out mechanisms are not obligations to be imposed on A2P service providers (the “aggregator”). Instead, they should be imposed by A2P providers on Enterprises,

OTTs or Brands (the Source of A2P Traffic). Enterprises, OTTs or Brands are responsible for managing their subscriber databases. They must provide Opt-out options for their subscribers and manage their databases accordingly.

Response

The Commission has reviewed these comments and accepts the recommendation in principle.

2.4 Comment

Tariff Regulations: Kindly clarify if the provisions under this heading refer to the rates that MNOs will be able charge for international A2P SMS or to the rates that a licensee (i.e. future provider of SMS central hub) will be able to charge international providers that are sending international traffic to Nigeria.

Response

The Tariff proposed will cover all aspects of the process and it is not linear.

2.5 Comment

Limitations: Although implied, given where we currently are with MNO's aggregating independently without being regulated, we recommend explicit language inserted as a subsection stating that: "Only licensed International SMS Aggregators shall be permitted to carry out international A2P aggregation services within Nigeria." Also include the following provision: "Every local mobile network operator in Nigeria (MNO) may terminate only those international A2P SMS messages that have been received from a licensee. Any violation of this provision shall be subject to applicable fines.

Response

The Commission has reviewed these comments and accepts the recommendation in principle.

2.6 Comment

Special conditions: We recommend inserting a Section 4.6 (k) requiring an ethical obligation that: a. the A2P Aggregator at all times acts in the interest of the Nigerian Market not the international application providers (Meta, AWS, Google etc.) (to be defined); b. to ensure the Nigerian Market is not oversubscribed likely to cause international application providers to opt for alternative routes such as emails and in -app messaging e.g. WhatsApp. Mechanisms or thresholds can be developed to ensure the above.

Response

The Commission respectfully notes these comments.

2.7 **Comment**

Eligibility Criteria:

We recommend inserting a subsection catering to the following: a. Require that prospective applicants provide capability statements showing that they understand and have been in the A2P business for a significant period in other markets.

Response

The Commission respectfully notes these comments but declines the recommendation.

2.8 **Comment**

Access Management: There is a need for clear criteria on access management, especially since multiple entities will connect to the central hub. Role -based access control (RBAC) should be mandated to ensure that only authorized personnel can access sensitive parts of the system. The framework should specify whether there will be centralized access control or whether operators will be allowed to develop their own security protocols.

Response

The Commission respectfully notes these comments.

2.9 **Comment**

Process of Implementation of Section 1.1.b: The mandatory routing of A2P traffic through a central hub is crucial, but the implementation timeline should be feasible, especially for large established operators who may need to re-engineer their systems. A phased approach might be more practical.

Response

The Commission reviews these comments and accepts the recommendation in principle.

2.10 **Comment**

Role of the NCC: The framework could expand on the specific role of the Nigerian Communications Commission (NCC) in auditing compliance, monitoring quality of service, and ensuring that international operators comply with local laws. A tiered regulatory approach could also be introduced, where the NCC provides different levels of oversight depending on the size and scope of operations.

Response

The Commission respectfully notes these comments and states that the role of the Regulator is statutory and well established by legal and regulatory principles.

2.11 **Comment**

General conditions: Include language requiring Local MNO to deliver all their SMS traffic to the firewall including P2P traffic to effectively protect subscribers.

Response

The Commission respectfully notes these comments.

3. **ASSOCIATION OF INTERNATIONAL DATA ACCESS GATEWAY LICENSE OPERATORS OF NIGERIA**

3.1 **Comment**

Current State of International A2P Messaging in Nigeria: International A2P traffic is currently collected by entities outside Nigeria. Payments are made in foreign currencies, which do not flow into the country nor are the Companies taxed. e. There are also issues in the SMS service ecosystem and there is a need to ensure security and fraud control. We agree with the Commission on the State of the Market in 2.0 above. We are glad the Commission has recognized the aforementioned state of the market. These are positions we have relayed to the Commission in writing in respect to International CLI Voice Services.

Response

The Commission respectfully notes these comments.

3.2 **Comment**

Justification for Regulatory Oversight/Licensing: Through the Creation of a Single Platform, the Commission will have better control over the International A2P SMS traffic, ensuring compliance with regulations and improving market oversight.

Taxation and Levies on International A2P SMS traffic. f. Providing the Commission with complete visibility and control over the International SMS market segment to regulate it effectively. We subscribe to the position of the Commission in respect to the points raised in 3.0 and f. However, we respectfully submit that the Commission will achieve the same objectives stated in 3.0 above via the licensed IDAs rather than the Creation of a Single Platform. The Nigerian Telecom industry is a deregulated market. The Single Platform will create a monopoly and will not ensure fair competition in the International Telecom market in Nigeria.

Response

The Commission respectfully notes these comments and state further that the Commission intends to streamline and ensure there is a proper structure for A2P messaging in Nigeria.

3.3 **Comment**

The Licence: In view of the reasons outlined above, and pursuant to its powers under Section 32 of the Nigerian Communications Act 2003 (NCA), the Commission is introducing the International SMS Aggregator Licence as a licensable undertaking. This initiative aims to enhance security, ensure tax compliance, address the disparity in termination rates and prevent revenue leakages within the SMS ecosystem. As stated above International A2P messaging is within the Scope of Operations of Licensed IDAs as stated in Condition 18 of the IDA License. The aims of enhanced security, ensuring tax compliance, addressing the disparity in termination rates and prevention of revenue leakages within the SMS ecosystem will be achieved via existing IDAs.

Response

The Commission respectfully notes these comments and state further that the Commission intends to streamline and ensure there is a proper structure for A2P messaging in Nigeria.

3.4 **Comment**

Scope of the Licence To develop and oversee a centralized A2P messaging platform to carry InternationalA2P messages into Nigeria; implement unified rules and protections to protect Nigerian subscribers from spam and fraud attacks by enhanced security protocols, to protect user data and ensure the confidentiality and integrity of A2P messaging services. The following are some of the services expected to be rendered by Service Providers: 1. Centralized A2P Messaging Platform 2. Mandatory Routing via Central Hub 3. Sending A2P messages (SMS, MMS, etc.) 4. Offering transactional services (banking, payments, etc.). 5. Sending notifications and alerts. 6. Subscriber protection (Opt-in/out mechanisms) 7. Security measures.

As stated above, the aforementioned are services available on SMS Platforms of licensed IDAs rather than a Monopolistic Single Platform.

Response

The Commission respectfully notes these comments and state further that the Commission will ensure fair and transparent competition in all market segments.

3.5 **Comment**

Limitation a. The Licensee is prohibited from providing or operating any other telecommunications services: i. which is not expressly included within the scope of this licence; or ii for which a separate licence has not been issued by the Commission. b. Licensee will be limited to only the services proposed within the scope of the Licence. IDAs already comply with the aforementioned Limitations.

Response

The Commission respectfully notes these comments.

3.6 Comment

Number of Licences to be issued: Under the framework, International A2P messaging services will operate within a competitive market. The Commission also has the prerogative to issue additional licences if it is determined that the level of competition in the market is insufficient to promote fair practices and ensure optimal service delivery. We subscribe to the position of the Commission that International A2P will operate within a competitive market. A single Platform is inconsistent with the NCA 2003 that ensures a deregulated market that promotes fair practices and ensures optimal services.

Response

The Commission respectfully notes these comments and state further that the Commission will ensure fair and transparent competition in all market segments.

3.7 Comment

Specific Conditions: a. A2P Messaging Providers will be required to comply with the provisions of the NCA 2003, and the Regulations made thereunder, and any other relevant laws, including data protection and consumer protection laws. b. Providers must implement robust data protection measures to safeguard consumer privacy and security and ensure compliance with data privacy regulations. IDAs will duly comply with the aforementioned Conditions.

Response

The Commission respectfully appreciates and notes these comments.

3.8 Comment

Eligibility Criteria. To be eligible for the licence existing licensees must meet the following criteria: a. Licensee must be a corporate body registered under the laws in force in Nigeria with proof of same submitted to the Commission during application b. Licensees are to file with the Commission, the contract agreement with at least a Host Network Operator or a National Carrier. c. Licensee is obliged to show proof of financial capabilities to cover its CAPEX and OPEX for the implementation of its strategic operations. d. And other requirements that may be specified by the Commission. IDAs are duly licensed by the Commission and are interconnected with the MNOs.

Response

The Commission respectfully notes these comments and states that it is considering all licensees and market participants in all its rule making processes.

3.9 **Comment**

Technical Requirements a. Licensees must demonstrate the capacity to integrate with local MNOs and operate within a secure network environment. b. They must have systems in place for fraud detection, data protection, and security monitoring, including firewalls and encryption protocols to protect against unauthorized access and spam. c. Applicants must be capable of routing international A2P SMS traffic through a centralized SMS firewall, or any other technology mandated by the NCC. d. The Licensee must comply with all technical requirements specified by the Commission.

IDAs are operational, interconnected with MNOs and meet the Technical Requirements stated above. IDAs as stated above will transport International A2P traffic into all the MNOs in Nigeria. IDAs will collaborate with an experienced Technical Partner that will provide the following as a Service:

- SMS Firewalls in each IDA's SMS Gateway Node
- SMS Firewalls in each MNO's SMSC Node
- Provide a Dashboard for NCC to monitor all International A2P SMS traffic from IDAs into MNOs
 - With NO CAPEX or OPEX by NCC
- The commercial terms for the SMS Firewalls and Monitoring Service by NCC will be mutually agreed by the Technical Partner, MNOs and IDAs.

Response

The Commission respectfully notes these comments and states that it is considering all licensees and market participants in all its rule making processes.

3.10 **Comment**

Compliance with Relevant Laws and Regulations a. Licensees must comply with all relevant NCC regulations, including but not limited to data privacy, cybersecurity, and customer protection standards. b. They must submit regular reports to the Commission, including traffic data, service quality metrics, and revenue information as required by the Commission. IDAs are compliant with the aforementioned relevant laws and regulations.

Response

The Commission respectfully appreciates and notes these comments.

3.11 **Comment**

Security Protocols: All licensees are required to implement robust security protocols, including a centralized SMS firewall to filter out spam, fraudulent traffic, and unauthorized access. b. Encryption of SMS traffic data to protect against data

breaches. c. Fraud detection systems to identify and mitigate any suspicious activities. IDAs have Firewalls in place in addition to encryption and Fraud detection systems stated above.

Response

The Commission respectfully appreciates and notes these comments.

3.12 Comment

Tariff Regulation a. The Commission will establish standardized termination rates for International A2P SMS traffic to prevent market distortions and ensure fairness. b. All licensees will be required to adhere to these rates to ensure a level playing field. We await the standardized International A2P termination rates from the Commission. IDAs will adhere to those rates.

Response

The Commission respectfully appreciates and notes these comments.

3.13 Comment

Competitive Market Environment the A2P messaging ecosystem will be open to competition. However, the Commission reserves the right to introduce additional licenses or market interventions if it determines that competition is inadequate or market conditions require regulatory adjustments. Consistent with the NCA 2003, IDAs operate in an open competitive market without a single Monopoly Operator.

Response

The Commission respectfully notes these comments and state further that the Commission will ensure fair and transparent competition in all market segments.

3.14 Comment

Protection from Spam and Fraud a. Licensees are required to adhere to strict data protection standards, ensuring the confidentiality and integrity of subscriber data. b. Compliance with the Nigerian Data Protection Regulation (NDPR) is mandatory. IDAs will comply.

Response

The Commission respectfully appreciates and notes these comments.

3.15 Comment

Breach of Licence Conditions a. Any breach of the licence terms and conditions may result in sanctions, including fines, suspension, or revocation of the licence. b. Non-compliance with tariff regulations, failure to meet security standards, or tax evasion will attract penalties as stipulated by the NCC. IDAs will comply.

Response

The Commission respectfully appreciates and notes these comments.

3.16 Comment

Interconnection and Integration a. An A2P Licensee will be required to interconnect its system with licensees who provide voice and SMS services. Such licensees must interconnect the A2P service provider pursuant to an Interconnect Agreement duly approved and filed by the Commission. b. All local MNOs and international A2P messaging service providers must integrate their systems with the centralized A2P platform within a specified period, as determined by the Commission. IDAs are already connected to MNOs and will interconnect with SMS Service Providers.

Response

The Commission respectfully appreciates and notes these comments.

4. AIRTEL NETWORKS LIMITED

4.1 Comment

Current state of local international A2P messaging in Nigeria: Individual operators set their tariffs, leading to distortions and inconsistencies in termination rates. Revenue from international A2P traffic is currently collected by entities outside Nigeria. Payments are made in foreign currencies, which do not flow into the country nor are the companies taxed. There is no specific regulation on A2P SMS leading to a lack of visibility in the SMS market, potential formation of cartels and reduced competition.

Airtel recognizes and captures all its revenues, irrespective of jurisdictions where such income is earned, in the computation of Annual Operating Levy obligations, tax assessment and remittances to the Government. We reaffirm that Airtel is already charging A2P international SMS in USD, hence bringing forex in country and paying tax to Regulators on same. A2P international SMS segment is competitive notwithstanding that the MNOs elected to create a single point of connectivity to their respective networks to effectively manage spam and in turn minimize revenue leakages. The MNOs have deployed resilient and robust anti-spam solutions to curtail SPAM and illegal activities on their respective networks. With the projected 50% drop in international A2P SMS volumes, the return on investment does not justify the introduction of the proposed Aggregator. Furthermore, there is no country where a Regulator has proposed such a central platform in the international A2P SMS ecosystem. Airtel recommendation is that the NCC should hold an extensive consultation with the industry to collectively address its concerns with respect to having greater visibility in the international A2P

SMS segment in place of the proposed central hub/centralized SMS firewall and introduction of a third party.

Response

The Commission respectfully appreciates and notes these comments. The Commission also accepts Airtel's recommendation for extensive consultation with the Industry.

4.2 Comment

Justification for Regulatory Oversight/Licensing: Through the creation of a single platform, the NCC will have better control over the international A2P SMS traffic, ensuring compliance with regulations and improving market oversight. The ability to levy A2P SMS traffic appropriately, ensuring revenues are collected within the country. Revenues generated from international A2P SMS traffic will stay within Nigeria, contributing to the local economy and being subject to local taxation. b. Standardized tariffs and increased transparency will promote fair competition among operators, preventing monopolistic practices.

We note that one of the reasons for the proposed regulatory oversight is to levy A2P SMS traffic appropriately. As the NCC is aware, the industry is already overburdened with incidences of multiple taxation and levies payable to different tiers of government. We therefore strongly canvass against the introduction of any levy on international A2P SMS. Our preference is allowing market forces to determine the international A2P SMS tariff, but if the rates must be standardized, the NCC should adopt benchmarking for the exercise, and the rates should be denominated in USD, which is relatively stable and acceptable internationally.

Response

The Commission respectfully appreciates and notes these comments.

4.3 Comment

Objectives- Implement unified rules and protections to shield Nigerian subscribers from SPAM and fraud attacks. This includes country level regulations to prevent unwanted SMS traffic and ensure compliance with SMS protection, storage, and data protection laws. To ensure that all brands and OTT service providers route their A2P SMS traffic through a central hub, thereby ensuring standardized processing and monitoring.

The use of a central hub would occasion the Underlisted issues:

1. Loss of Direct Control: Using a central hub outside Airtel's network gives the third-party control over message routing and quality of service.

2. **Data Privacy and Security Risks:** International A2P messages, just like local transactional A2P often contain sensitive information (e.g., OTPs, bank alerts). Routing these through a centralized third-party platform increases exposure to data breaches, non-compliance with GDPR and other data protection laws, and possible exploitation of sensitive subscriber data.
3. **Revenue Leakage / Additional cost to MNOs:** Centralized platforms typically charge service fees or take a percentage of international messaging revenue, and this reduces Airtel's margins.
4. **Dependence on a Single Entity:** Centralizing operations creates dependency on one provider. Any technical failures, downtime, or disputes with the third party could disrupt messaging services, damaging customer trust and Airtel's reputation.
5. **Market Monopoly Concerns:** By routing international A2P messaging through a single entity, the third party could monopolize the international A2P market, and introduce restrictive practices on Airtel in the future.
6. **Reduced Differentiation and Competitive Edge:** Airtel loses the ability to differentiate its International A2P messaging service, as the third-party platform standardizes all offerings. This restricts innovation and diminishes the competitive advantages of individual operators.
7. **Increased Latency and Potential for Service Degradation:** Routing through a centralized platform may introduce additional latency, impacting time-sensitive messages such as OTPs and transactional alerts. This could lead to poor user experiences and dissatisfaction for Airtel's customers.
8. **Conflict of Interest:** The third-party platform custodians might have ties to other operators, this could lead to biased routing decisions, favouring certain MNOs over Airtel, thereby creating an uneven competitive landscape.
9. **Compliance and Audit Challenges:** Airtel might face added complexity in ensuring compliance with regulatory requirements when we rely on a third party. Auditing message delivery, reconciling billing, and resolving disputes could become cumbersome.
10. **Inhibits Direct Partnership Opportunities:** By relying on a centralized entity, Airtel will lose the ability to build direct partnerships with global enterprises, limiting our ability to negotiate mutually beneficial terms and explore additional opportunities with OTT players.

Response

The Commission respectfully appreciates and notes these comments. The Commission will take into consideration the 10 concerns raised by Airtel in finalizing the Framework and concluding on its approach on A2P messaging services in Nigeria.

4.4 Comment

Scope of the Licence: To develop and oversee a centralised A2P messaging platform to carry international A2P messages into Nigeria; implement unified rules and protections to protect Nigerian subscribers from spam and fraud attacks by enhanced security protocols, to protect user data and ensure the confidentiality and integrity of A2P messaging services. The following are some of the services expected to be rendered by Service Providers:

1. Centralized A2P Messaging Platform
2. Mandatory Routing via Central Hub
3. Sending A2P messages (SMS, MMS, etc)
4. Offering transactional services (banking, payments, etc)
5. Sending notifications and alerts
6. Subscriber protection (opt-in/out mechanisms)
7. Security measures.

The proposed centralized platform/Aggregator may not be beneficial to the industry because Top Brands and OTT players prefer working with MNOs directly to minimize fraud and artificial generation. These Top Brands and OTT players are also exploring network APIs from MNOs to replace SMS and want MNOs to use channels like Rich Content Services and WhatsApp for enterprise services. The introduction of centralized aggregators could force faster adoption of alternate channels as the proposed centralised platform/ aggregators does not have control on issues like GDPR, security, etc. Our preference is no introduction of a central hub, but if the NCC thinks otherwise, then the concerns raised above about the centralized messaging platform should be addressed. In addition, Airtel recommends the exemption of OTT's, hyper scalers, e-commerce and social media from this proposal because the local A2P providers are also transiting international SMS from banks and other cloud providers.

Response

The Commission respectfully appreciates and notes these comments. More so, the Commission is evaluating the different regulatory options.

4.5 Comment

Specific Conditions: Any A2P message not accompanied by a SMS sender ID must not be accepted by the originating operator and must not be forwarded to the

subscriber by the terminating network operator. These include messages coming through the internet, international gateways, or local interconnect partners. d) Subscribers have a right to privacy; therefore on no circumstance should a provider send an unsolicited message e) Service Providers must not send or have others send on their behalf, unsolicited, random, or untargeted telecommunications message (SPAM).

As at date, A2P messages without sender ID is classified as invalid and treated as such by Airtel. The NCC DND Direction and subsequent Directives adequately cater for this requirement and there is no need for any additional prescription in this regard. International A2P messages are essentially subscription or on-demand services. Therefore, the issue of opt-in or opt out does not apply. The application of DND rules for subscribers on full DND addresses the concerns of unsolicited messages. The cost of storing content of sent and received messages of every consumer would be enormous for the telcos. It is recommended that the existing practice of storing transaction records (i.e. CDRs) be utilized in place of the storage of content. To ensure uniformity, the provisions of the Cybercrimes (Protection, Prevention, etc) (Amendment) Act, 2024 requiring the storage records for a maximum period of 24 months be applicable to international A2P SMS. The NCC in consultation with the industry should set the KPIs and it appears that the KPIs for international A2P SMS are not in the subsisting Quality of Service Regulations, 2024.

Response

The Commission respectfully appreciates and notes these comments. More so, the Commission is evaluating the different regulatory options.

4.6 Comment

Tariff Regulation: The NCC will establish standardized termination rates for international A2P SMS traffic to prevent market distortions and ensure fairness. Airtel recommends the adoption of benchmarking in the standardization of the International A2P SMS termination rates, and the rates should be denominated in USD, which is relatively stable and acceptable internationally.

Response

The Commission reviews these comments and accepts the recommendation in principle.

4.7 Comment

Interconnection and Integration

a. An A2P Licensee will be required to interconnect its system with licensees who provide voice and SMS services. Such Licensees must interconnect the A2P service

provider pursuant to an interconnect agreement duly approved and filed by the Commission.

b. All local MNOs and international A2P messaging service providers must integrate their systems with the centralized A2P platform within a specified period, as determined by the NCC.

If the final decision is to introduce the central hub, the NCC is requested to coordinate discussions between the MNOs and the International A2P SMS Aggregator to agree the points of connectivity to the MNOs' networks.

Response

The Commission has reviewed these comments and accepts the recommendation in principle.

5. MTN NIGERIA COMMUNICATIONS PLC

5.1 Comment

Objectives: 'The objectives are to create a robust, regulated, and secure framework for international Application-to-Person (A2P) messaging services in Nigeria. They include: a. To develop and oversee a centralized A2P messaging platform, making it the primary provider for International A2P messaging Services within Nigeria.'

MTN posit that the proposed regulatory intervention in form of the draft Framework does not sufficiently account for the global nature of international A2P SMS traffic, where decisions made at a national level are influenced by broader international regulatory conditions and commercial realities. Given this context, we recommend as follows: i. that the proposed changes must be informed by a detailed and data-driven value chain analysis of the international A2P ecosystem. ii. that such an analysis identifies the roles and contributions of existing players, the challenges they face, and whether introducing a single aggregator will create demonstrable value for the market.

Response

The Commission has reviewed these comments and accepts the recommendation in principle.

5.2 Comment

Justification for Regulatory Oversight/Licensing through the Creation of a Single Platform, the Commission will have better control over the International A2P SMS traffic, ensuring compliance with regulations and improving market oversight. MTN

request that the Commission considers the historical success of the international A2P SMS services market, which has operated effectively without market failure especially in proffering solutions to the problems listed in section 3. MTN invites the Commission to note that all the stated justification for the issuance of the framework, do not require the creation of centralized platform. MTN recommends that the Commission considers:

I. Regulatory levy on A2P SMS instead of creating a central aggregator, and introduce a transparent reporting framework to ensure the Commission achieves visibility.

II. Introducing reporting obligation on pricing for all MNOs to bring parity in the system.

III. Periodic audit of A2P traffic terminated on each MNO's network.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.3 **Comment**

Limitation The Licensee is prohibited from providing or operating any other telecommunications services: i. which is not expressly included within the scope of this licence; or ii. for which a separate licence has not been issued by the Commission. By this section, it is unclear if the Commission intends to prevent Mobile Network Operators from participating in this segment as an 'International SMS Aggregator Licence' or if the restriction will be placed on the international A2P SMS aggregator. MTN seeks the Commission's clarity regarding this whilst reminding the Commission of the flexibility Operators have under the UASL.

Response

The Commission respectfully appreciates and notes these comments. The Commission will provide clarity on this in the finalised Framework.

5.4 **Comment**

License Fee The proposed Licence fee is proposed at N10, 000,000 (Ten Million Naira) only. MTN urges the Commission to conduct a thorough analysis of this segment before the issuance of a framework, we also wish to add that the proposed license fee should be thoroughly evaluated to align with the value of the market segment.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.5 Comment

Number of Licences to be issued: ‘Under the framework, International A2P messaging services will operate within a competitive market. The Commission also has the prerogative to issue additional licences if it is determined that the level of competition in the market is insufficient to promote fair practices and ensure optimal service delivery. It appears the Commission intends to appoint a single ‘International SMS Aggregator Licence’ to be responsible for operating the initial deployment of the platform/solution. MTN urges the Commission to conduct a market assessment to confirm the viability of introducing an intermediary in the provision of A2P international SMS.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.6 Comment

Technical Requirements: a. Licensees must demonstrate the capacity to integrate with local MNOs and operate within a secure network environment. b. They must have systems in place for fraud detection, data protection, and security monitoring, including firewalls and encryption protocols to protect against unauthorized access and spam. c. Applicants must be capable of routing international A2P SMS traffic through a centralized SMS firewall, or any other technology mandated by the NCC. d. The Licensee must comply with all technical requirements specified by the Commission. In addition to these provisions, we recommend the inclusion of the below: *‘the licensee must comply with all technical requirements specified by the Commission and ensure compliance with international standards and specifications adopted by the International Telecommunications Union’.*

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.7 Comment

Tariff Regulation: The Commission will establish standardized termination rates for international A2P SMS traffic to prevent market distortions and ensure fairness. MTN urges the Commission to carefully evaluate the introduction of pricing regulation with respect to the provision of international A2P SMS services. MTN recommends i. Regulatory levy on A2P SMS instead of creating a central aggregator

and introduce a transparent reporting framework to ensure the Commission achieves visibility. ii. Introducing reporting obligation on pricing for all MNOs to bring parity in the system. iii. Periodic audit of A2P traffic terminated on each MNO's network.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.8 **Comment**

Interconnection and Integration: An A2P Licensee will be required to interconnect its system with licensees who provide voice and SMS services. Such licensees must interconnect the A2P service provider pursuant to an Interconnect Agreement duly approved and filed by the Commission.

Considering the protracted interconnection debt issues in the industry, we recommend that as part of pre-conditions for interconnection, the Commission should mandate the provision of Bank Guarantees to avert another debt window for the sector. As the Commission is aware, credit management practices like Bank Guarantees serve to safeguard operators from debt issues and discourage market players from engaging in bad conduct.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

5.9 **Comment**

Interconnection and Integration: All local MNOs and international A2P messaging service providers must integrate their systems with the centralized A2P platform within a specified period, as determined by the Commission. MTN recommends that the Commission leverage the existing rules of interconnection in the Interconnection Regulation, which already provides a robust framework for managing interconnection between licensees. Where necessary, the Commission can amend the Interconnection Regulation to include Access Integration requirements for A2P services.

Response

The Commission respectfully appreciates and notes these comments. The Commission further notes the recommendation of MTN.

6. EMERGING MARKETS TELECOMMUNICATION SERVICES LIMITED (9MOBILE)

6.1 Comments

The proposal may impact the operational independence of Mobile Network Operators (MNOs), which currently have established internal mechanisms to address fraud, spam, and unauthorized short message service (SMS) traffic. MNOs are also equipped to independently monitor their A2P traffic and generate detailed reports through advanced Graphical User Interfaces (GUIs), provided by their trusted service partners. Direct engagement with these service providers ensures transparency, control and accountability. EMTS is concerned that limiting this engagement could affect the effectiveness of these critical functions.

Response

The Commission respectfully appreciates and notes these comments from EMTS. The Commission further notes the recommendation of EMTS.

- 6.2 International A2P SMS termination operates as a business-to-business (B2B) arrangement between MNOs and aggregators of international messages. The pricing structure does not affect consumers directly, nor does it impact the local market. Given this context, EMTS seeks clarification on the specific concerns or challenges prompting the proposed regulatory intervention, to better understand its intended objectives and alignment with industry practices.

Response

The Commission respectfully appreciates and notes these comments from EMTS. The Commission will provide more clarity in the final Framework.

- 6.3 Just as operators independently select their international wholesale partners for services such as voice, roaming, signalling, internet capacity and cloud services; it is essential that MNOs retain the ability to choose their preferred service providers (SPs) for international message termination. This selection process is guided by critical factors including the SP's industry reputation, financial stability, technological capabilities, competitive pricing, direct connectivity with Over-the-Top (OTT) service providers and availability of bundled or ancillary support services. Centralizing this service could limit MNOs' flexibility to choose the most suitable partners, potentially affecting service quality and operational efficiency.

Response

The Commission respectfully appreciates and notes these comments from EMTS.

- 6.4 A2P SMS faces growing competition from alternative OTT platforms such as WhatsApp, Facebook, email, Microsoft Authenticator, Google RCS and Flash calls. Industry data indicates a year-on-year decline in A2P message volumes with a reduction of up to 25% recorded in 2024 alone. To sustain volumes and remain competitive, MNOs, through direct international aggregators, negotiate strategic partnerships with major OTT players. A centralized system could restrict this flexibility, potentially discouraging continued engagement with these critical partners and jeopardizing the long-term viability of the A2P SMS business.

Response

The Commission respectfully appreciates and notes these comments from EMTS.

- 6.5 Involving local aggregators as intermediaries could introduce additional cost layers, reducing overall revenue for MNOs while primarily benefiting third-party aggregators. This added expense might also trigger a price increase, potentially discouraging OTT platforms from utilizing A2P SMS for their services. Given that MNOs already have established, efficient systems in place to manage A2P SMS traffic, introducing local aggregators could result in redundant processes and unnecessary operational costs.

Response

The Commission respectfully appreciates and notes these comments from EMTS. The Commission further notes the recommendation of EMTS.

7. GENERAL COMMENTS BY THE COMMISSION

- 7.1 The regulator is aware of the challenges associated with sourcing foreign exchange (FX) for dollar-denominated payments from Nigeria. International A2P SMS inflows remain a critical source of FX for MNOs, enabling timely payments to international service providers such as roaming partners, Global System for Mobile Communications Association (GSMA) membership dues, international voice carriers, signaling providers and internet capacity suppliers (submarine/satellite). Any disruption to this FX stream could hinder

8. GENERAL COMMENTS BY THE LICENSEES

- 8.1 Routing A2P SMS traffic through a centralized platform raises significant data privacy and security concerns, particularly if sensitive transactional and notification data are managed by third-party aggregators. Any compromise, breach or failure within the central hub could expose subscriber information, disrupt service delivery and adversely affect the reputation and trust MNOs have built with their customers.

Ensuring data privacy and service reliability remains a top priority for MNOs, emphasizing the need for a secure and resilient operational framework.

- 8.2** International A2P service providers are driven to invest in world-class technology and firewall solutions due to competitive market dynamics, as they strive to secure contracts from MNOs. Introducing a centralized system could reduce competition, creating monopolistic structures with limited incentive for continuous research, development, and innovation. This could ultimately deprive the market of technological advancements that enhance service quality, security, and operational efficiency.
- 8.3** The proposed mandated integration with all local and international A2P service providers could cause technical and logistical challenges. In addition, MNOs with legacy systems may face costly upgrades to meet integration and security standards. This is the same industry that are currently struggling with intense macro-economic challenges – cost inflation, exchange rate depreciation, diminished spending power, high and inconsistent cost of operations, inconsistent power supply, inability to increase tariff to recoup and attract investments, multiple taxation, etc.
- 8.4** MNOs should independently manage their international A2P partnerships, like how they handle other strategic business relationships. This flexibility enables MNOs to negotiate optimal agreements that enhance service quality, ensure operational efficiency and ultimately benefits consumers through improved service availability and delivery.
- 8.5** There are numerous local A2P partnerships currently managing the termination of billions of messages monthly without direct regulatory oversight. EMTS assures the Commission that the same level of diligence, operational efficiency and market-driven best practices equally apply to the management of international A2P partnerships.
- 8.6** The Commission could consider establishing a reporting framework for monitoring A2P transactions in Nigeria, ensuring transparency and compliance without taking on the role of directly or indirectly providing the service. This approach would allow MNOs to continue managing their operations while maintaining regulatory oversight through structured reporting. Conduct regular and/or periodic service quality audits to maintain operational standards, ensure compliance and minimize service disruptions.

9. CLOSING COMMENTS

Dr. Mohammed Suleh-Yusuf (Ag. Head, Telecoms Laws & Regulations Unit) thanked everyone for coming and noted that the session was very informative and engaging. He stated that all the issues raised will be considered and consolidated to benefit the telecommunications Industry.

The Stakeholders Forum ended at 12:30pm.

Dated this 10th day of January 2025

Dr. Aminu Maida
Executive Vice-Chairman/CEO
NIGERIAN COMMUNICATIONS COMMISSION