



VALUE ADDED SERVICES (AGGREGATOR) LICENCE
VAS/AGG/001/19

Granted To

XZY LIMITED

By

NIGERIAN COMMUNICATIONS COMMISSION

Under Section 32 of the Nigerian Communications Act, 2003

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LICENCE NO. **VAS/AGG/001/19** GRANTED TO
XYZ LIMITED
TO PROVIDE AND OPERATE
VALUE ADDED SERVICES (AGGREGATOR) IN NIGERIA
UNDER SECTION 32 OF THE NIGERIAN COMMUNICATIONS ACT 2003

THE LICENCE

1. The Nigerian Communications Commission (hereinafter referred to as “the Commission”) being a body corporate with perpetual succession rights and a common seal, established by Section 3 of the Nigerian Communications Act, 2003 (hereinafter referred to as “the Act”) and in exercise of the powers conferred on it by Section 32 of the Act hereby grants to XYZ LIMITED (hereinafter referred to as "the Licensee") a Licence for the period specified in Paragraph 2 subject to the conditions set out in Schedules 1 and 2, to provide Value Added Services (Aggregator) specified in Schedule 2 (hereinafter referred to as “the Licensed Undertaking”).
2. This Licence shall take effect from the 1st day of March 2019 and shall have a tenure of five (5) Years thereafter in the first instance, but without prejudice to Condition 16 of this Licence, shall be subject to revocation thereafter upon the giving of twelve (12) months' notice in writing of such revocation.
3. This Licence shall be automatically renewed and remain valid for a further period of five (5) years, subject to the provisions of Paragraph 4 and unless the Licensee has given a written notice to the Commission, at least six (6) months before the expiry date not to renew the Licence.
4. In order for this Licence to be automatically renewed as provided in Paragraph 3, the Licensee shall have satisfactorily rolled out services, and paid all the renewal licence fees and charges due.
5. This Licence is valid for the provision and operation of the service stated in Schedule 2 to this Licence.

PROF. UMAR G. DANBATT
EXECUTIVE VICE-CHAIRMAN/CEO

SCHEDULE 1

DEFINITIONS AND INTERPRETATION

1. In these Conditions unless the context otherwise requires, the expressions shall have the following meanings:

"Act"	The Nigerian Communications Act 2003 or as the context so admits, any succeeding legislation thereto.
"Auditor"	The Licensee's auditor for the time being appointed in accordance with the requirements of the Company and Allied Matters Act Cap59 Laws of the Federation of Nigeria 1990.
"Carrier"	A Public or Privately owned Telecommunications Network comprising Radio or Cable or Satellite sub - systems or any combination of these media deployed for the purpose of providing Domestic and International point to point and switched/unswitched point to multipoint telecommunications Services.
"Commission"	The Nigerian Communications Commission and agents appointed pursuant to the powers under the Nigerian Communications Act, 2003.
"Connectable System"	A telecommunications system approved for use in Nigeria by the Commission which entitles the Licensee to interconnection under Section 96 of the Act.
"Licence"	A licence granted or having effect as if granted under Section 32 of the Act.
"Licensed Area"	The geographical territory known as the Federal Republic of Nigeria.
"Nigeria"	The entire geographical area, the territorial waters, air limits of Nigeria and any area to which the provisions of the Act apply.
"Service Provider"	Any person who is in the business of providing the service to another and who has a contract with the Licensee and is licensed by the Commission for such purpose.
"Short Code"	A number that is shorter than the average national telephone number, usually 6 digits or less. Unless otherwise indicated, reference to short code in this document connotes the same meaning as common short codes, i.e. short codes available across many mobile networks.
"Tariff"	The charges payable by the customers to the Licensee for the provision of service.
"Telecommunications"	Any form of transmission, broadcast or reception of signs, signals, texts, images, sounds or data by wire, by optical means, microwave or other electromagnetic means.
"Telecommunication Services"	Any service including the transmission and/or routing of signs, signals, texts, images, sounds or data or a combination of these functions, using telecommunication process.

“Value Added Service”	Any network-based service other than voice conversation that is provided in the form of text, video, graphics, picture, multimedia or data for the purpose of conveying information or executable content either downloaded or accessed on line and normally at extra cost.
“VAS Aggregator”	A service provider with an intelligent platform capable of collecting VAS content or applications from VAS distributors and routing them to subscribers through operators' networks.
“VAS Content Provider”	Any person who is in the business of providing Value Added Service to another and is licensed by the Commission for such purpose.
“VAS Developer”	Any person who is able to provide valid proof of ownership of an application to be hosted and distributed.

2. The Interpretation Act Cap 192 Laws of the Federation of Nigeria 1990, shall apply for the purpose of interpreting these Conditions.
3. Any word or expression used in these Conditions, shall unless the context otherwise require, have the same meaning as it has in the Act.
4. For the purposes of interpreting these Conditions, headings and titles to any Condition shall be disregarded.
5. Nothing which the Licensee may do or omit to do after the date on which any provision of these Conditions enter into force, shall be held to constitute a failure to comply with an obligation imposed on the Licensee by or under these Conditions, to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before that date.
6. Any reference in any of the Conditions, however expressed, to the Commission notifying the Licensee of any matter, consulting the Licensee about any matter, affording the Licensee an opportunity to make representation, taking representations made by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Commission is or may be under by virtue of any rule or principle of law or otherwise.

SCHEDULE 1

GENERAL CONDITIONS

Condition 1

Compliance with the Act and Regulations

- 1.1 The Licensee shall comply with the provisions of the Act and Regulations made thereto and with any direction, determination or order that the Act provides for the Commission to give or make.

Approval of Tariffs, Terms and Conditions

- 2.1 The Licensee shall lodge a notice of tariffs with the Commission which sets out in relation to each kind of service that the Licensee proposes to offer:
- (a) a description of the service;
 - (b) details of the nature and amounts of charges payable for the service, and
 - (c) the method adopted for determining the charges.
- 2.2 If the charges in the tariff plan vary in nature, in their amounts or both, the notice must set out, why and how the charges vary.
- 2.3 The notice must be precise and detailed enough to be used to work out the nature and amounts of charges payable for the supply of the particular service.
- 2.4 The notice of tariffs lodged with the Commission must state the period (i.e. the term) for which it is to be in force. The term must not begin, until approval for the tariffs is given by the Commission, or at a time when a previous tariff of the Licensee on the same service is still in force.
- 2.5 The Licensee shall not impose any terms and conditions for the provision of any specified telecommunications service until such terms and conditions have been approved by the Commission.
- 2.6 The Licensee shall provide the specified telecommunications service at the charges, terms and conditions so approved by the Commission and shall not depart therefrom without prior written approval by the Commission of the proposed charges, terms and conditions.
- 2.7 The tariffs must be in a form approved by the Commission, which will provide written reasons in the event of non-approval.
- 2.8 The Licensee shall publish in a manner and at the times in Condition 2.9, the charges, terms and conditions on which it offers to provide the specified telecommunications service in accordance with an obligation imposed by or under this Licence.
- 2.9 Publication shall be effected by:
- (a) Placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every office of the Licensee in such manner and in such place that is readily available for inspection free of charge by members of the general public during such hours as the Commission may prescribe.
 - (b) Sending a copy thereof or such parts thereof as are appropriate to any person who may request such a copy.
- 2.10 Where the Licensee publishes a notice of amendment to a charge in the form of an extract from the Licensee's price list the new price, shall be clearly identifiable and the operative date specified.

Prohibition of Cross-Subsidies

- 3.1 The Licensee shall ensure that its business under this Licence is not unfairly cross-subsidised from any other source, except in cases where the Licensee is under an obligation to provide service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in the area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including;
- (a) the cost of equipment necessary for the provision of the service there;
 - (b) the cost of installing, maintaining and operating such equipment for the purpose of providing service there, and
 - (c) the cost of the trained manpower necessary to provide the service there; in which case prior approval shall be obtained from the Commission.
- 3.2 Where the Licensee is engaged in offering various interrelated services which are priced separately, it shall not overcharge a service in order to recover the revenue in another service which is deliberately underpriced in order to beat competitors in that service segment. In this regard:
- (a) The Licensee shall reveal the full cost of equipment, material or labour transfer from one subsidiary to another. The full cost of service offered to a subsidiary shall be the same as is offered to another third party.
 - (b) The Licensee shall not offer its service below cost with the aim of capturing a market or inducing price war and driving out competitors.
 - (c) The Licensee shall ensure that prices charged for its services are fair, just, equitable and based on actual cost of providing such services.

Prohibition of Anti-Competitive Conduct

- 4.1 The Licensee shall not make it a condition of:
- (a) providing any telecommunication service;
 - (b) supplying any telecommunication equipment; that any person should acquire from the Licensee or from any other person specified or described by the Licensee;
 - i. any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or
 - ii. any telecommunication equipment not incorporated in the Systems supplied save where the telecommunication service requested cannot otherwise be provided or the telecommunication equipment cannot otherwise be used.
- 4.2 Except where the Commission has agreed otherwise, the Licensee shall not do any of the things described in Conditions 4.1 together with the other thing in a manner or for charges or on terms or conditions more favourable than would be available for doing one thing without that other thing.
- 4.3 Notwithstanding Conditions 4.1 and 4.2 the Licensee may where it supplies as part of the same transaction or interconnected series of transactions two or more items of telecommunications equipment, offer quantity discounts or more favourable terms and conditions in respect of quantity in relation to such equipment which it so supplies whether those items or equipment are of the same or different descriptions.
- 4.4 The Licensee shall not engage in direct or indirect activities that intentionally or unintentionally, tantamount to anti-competition or trying to gain undue advantage over other service providers offering similar services. The various actions and activities that can be classified as anti-competitive shall be determined by the Commission on a case by case basis. However, the under listed activities and practices are hereby declared as anti-competitive and the Licensee shall not indulge in them:
- (a) Collusive agreements to fix the price of any service
 - (b) Boycotting the supply of goods or services to competitors;
 - (c) Predatory pricing;
 - (d) Entering into exclusive arrangements which prevent competitors from having access to services and supplies;
 - (e) Agreements between Licensees to share the available market between them along lines, which include geographic or customer lines;
 - (f) Agreements limiting production, markets, distribution of equipment or technical development to the prejudice of consumers;
 - (g) Applying dissimilar conditions to equivalent transactions with different parties, thereby placing one or some of the parties at a competitive disadvantage.

Prohibition of Undue Preference and Undue Discrimination

- 5.1 The Licensee shall not (whether in respect of charges or other terms or conditions applied or otherwise) show undue preference to or exercise undue discrimination against any particular person or persons of any class or description in respect of;
- (a) the provision of a service under this Licence; or
 - (b) the connection of any equipment approved by the Commission.
- 5.2 The Licensee shall be deemed to have shown such undue preference or to have exercised such discrimination if it unfairly favours to a material extent a business carried on by it or by its lawful telecommunications associates in relation to any of the matters mentioned in Condition 5.1 so as to place at a significant competitive disadvantage persons competing with that business.
- 5.3 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Commission, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do that thing in that manner by or under any provision of this Licence.
- 5.4 The Licensee shall not extend undue preference to any customer in terms of pricing, discounts, commercial conditions or credit facilities. Condition of sales and prices shall apply equally to all customers who satisfy the same set of conditions in commercial terms.

Code of Practice for Consumers

6.1 The licensee shall develop a code of practice for consumers which will guide the relationship between the licensee and its consumers. The code shall address both the licensee obligations and consumer obligations.

6.2 In developing the code, the following consumer issues shall be adequately addressed as a minimum set of requirements.

(a) **Dispute Resolution:** The Licensee shall provide adequate information on procedure for settling disputes arising from the provision of service to the consumer.

(b) **Pricing Information:** The need to adequately inform the customer/consumer about prices of its services in a clear, unambiguous and transparent manner. This includes the avoidance of hidden charges or unclear conditions.

(c) **Service Contract:** The Licensee shall develop a service contract and make such available to the customer/consumers, and it shall be legally binding. Contract terms such as starting date, duration, termination and renewal shall be clearly stated.

(d) **Service Level Agreement:** The Licensee shall make known to the customer/consumer the minimum guaranteed service quality level to be offered. This will include where applicable minimum data rate, waiting time for activation, response time, maintenance.

(e) **Provision of Information to Consumers:** The Licensee shall ensure that all information required in valuing the service and in taking a decision to subscribe are supplied to the customer. This should be done in non-technical language that is simple, clear, unambiguous and not voluminous.

(f) **Consumer Obligations:** The code shall state in clear terms, the consumer obligations in respect of the service being offered. These shall include the following;

- i Acceptance of licence terms
- ii Re-sale of service without authorisation
- iii Unpaid bills
- iv Supply of wrong or fraudulent information

6.3 The Licensee shall at all times comply with a set of minimum consumer-care obligations. These include providing:

- (a) Adequate information on the service and usage of short codes.
- (b) Easy procedure for complaint resolution.
- (c) Adequate information on the terms and conditions of access, in every advertisement, at the time of sale, and while using the service.
- (d) Easy, and free of charge procedure for subscription and exit from the service via SMS.
- (e) Guarantee that there are no hidden charges.
- (f) Arrangements for refund, where necessary.

Separate Accounts for all Activities

- 7.1 This Condition applies for the purpose of ensuring that a Licensee establishes as soon as reasonably practicable, not later than twelve (12) months of this Licence coming into force, accounting and reporting arrangements sufficient to enable the Licensee's finances in relation to a Licensed Commercial Telecommunications undertaking to be assessed and reported separately from its other Licensed Commercial telecommunication undertakings and from the other Commercial activities of the Licensee.
- 7.2 The Licensee shall:
- (a) maintain accounting records in such a form that the activities of one commercial telecommunications undertaking and another licensed undertaking are separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of each of those Businesses;
 - (b) prepare in respect of each complete financial year of the Licensee, or of such lesser periods as the Commission may specify, accounting statements setting out costs (including capital costs), revenue and financial position of each of the Businesses and including a reasonable assessment of the assets employed in and liabilities attributable to each of them and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either:
 - i. charged from or to any other business of the Licensee together with a description of the basis of the value on which the charge was made; or
 - ii. determined by apportionment or attribution from an activity common to the Business and any other business of the Licensee and if not otherwise disclosed, the basis of the apportionment or attribution.
 - (c) procure in respect of each of those accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
 - (d) deliver to the Commission a copy of each of the accounting statements and of the reports relating thereto required under sub-Conditions (a) and (b) above as soon as reasonably practicable and in any event not later than six (6) months after the end of the period to which they relate.
- 7.3 Accounting statements prepared under Condition 7.2(b) in respect of each financial year shall so far as reasonably practicable, be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Licensee and shall state the accounting policies used.

Code of Practice on the Confidentiality of Customer Information

- 8.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of a Code of Practice which:
- (a) Specifies measures to ensure that all customer information stored or passing through its equipment is kept confidential, and that staff and unauthorised third parties do not have access to the information.
 - (b) Restricts the disclosure of information which has been acquired in the course of the Licensee's Business about a customer of the Licensee or that customers' business, without the prior consent of that customer;
 - (c) Regulates the information about any such customer or its business that may be disclosed without its consent PROVIDED that the disclosure is made under conditions that may include the following:
 - i. There is an order from a court of competent jurisdiction
 - ii. The customer information is under investigation by law enforcement agencies
 - iii. There is a state of emergency in the nation
 - iv. The customer has breached any law relating to the conditions stipulated in the service contract in respect of copyright, obscene or subversive content.
- 8.2 The Licensee shall within three (3) months of the date on which this Licence enters into force submit a draft of the Code of Practice to the Commission for its approval and if the Licensee and the Commission fail to agree on the provisions of the code they shall be determined by the Commission.
- 8.3 This condition is without prejudice to the duties at law of the Licensee towards its customers

Disputes Resolution

- 9.1 The Licensee shall make adequate provision for alternative dispute resolution mechanism for the settlement of dispute relating to the provision of service. This shall be applicable to simple dispute which do not require complicated legal procedures. The alternative mechanism shall be simple and inexpensive.

Transfer of Licence

- 10.1 The Licensee shall not transfer or assign its Licence to another party without the prior written approval of the Commission.
- 10.2 For the avoidance of doubt, this licence is personal to the Licensee and shall not, without the prior express written consent of the Commission in the manner specified in Condition 10.1 be operated by any third party organisation or person whomsoever, including but not limited to the Licensee's Subsidiary or Associated Companies.
- 10.3 A person to whom a Licence is to be transferred shall apply to the Commission for a Licence to carry on the relevant telecommunications undertakings on the prescribed application form and shall satisfy the conditions set down by the Commission before any transfer of Licence may be considered.
- 10.4 Where the Licensee seeks to transfer its Licence to another person, it shall comply with all terms and conditions of its Licence as at the date of transfer and shall have paid all outstanding fees to the Commission.
- 10.5 The Commission may approve or refuse an application for transfer of Licence and shall in the event of a refusal, provide reasons for such refusal.

Approval of Joint Ventures

- 11.1 The Licensee shall seek permission from the Commission if it intends to enter into a joint venture or change its shareholding structure in such a way that a single shareholder has its share changed by 10% or more. The Commission may reject its request for joint venture or changes in shareholding that is more than 10% if by the opinion of the Commission, the act is capable of distorting the market or affecting competition or gives a player a dominant position in the market.
- 11.2 The Licensee shall furnish the Commission with detailed information on its shareholding structure on 1st January of every year.

Associates

- 12.1 Without prejudice to the Licensee's obligations under these conditions in respect, in particular, of anything done on its behalf, where;
- (a) any Associate of the Licensee does anything which the Licensee is prohibited from doing under these Conditions or fails to do anything which the Licensee is in the circumstances required to do; and
 - (b) the Commission is of the opinion:
 - i. in consequence the Licensee is seeking to or is in a material and substantial way avoiding obligations which would apply under these Conditions if the thing had been done or not done by the Licensee, and
 - ii. having regard to the duty imposed on it by Section 4 of the Act it ought to make a direction under this Condition,
- 12.2 For the purpose of this Condition a person is an Associate of the Licensee if he is a subsidiary of or another body corporate controlled by it.

Pre-Notification of Changes in Shareholding

- 13.1 Except as specified in Condition 13.2, the Licensee shall notify the Commission of any change in the control of any of the shares in the Licensee to which this Condition applies, and any such notification shall be given as soon as practicable after the change in question is proposed.
- 13.2 The Licensee shall not be obliged to notify the Commission of any such change, where the number of such shares the control of which it is proposed to change, when aggregated to the number of such shares the control of which has been changed at any time after the granting of this licence (whether or not the change has previously been notified to the Commission in accordance with the Condition), does not exceed 10% of the total number of shares in the Licensee to which this condition applies.
- 13.3 The Licensee shall notify the Commission not later than thirty (30) days before the taking effect of any of the arrangements of the description mentioned in Condition 13.4.
- 13.4 Those descriptions of arrangements are:
- (a) any arrangement for obtaining a listing of any shares in the Licensee on the Nigerian Stock Exchange; and
 - (b) any arrangement for dealings in any shares in the Licensee on an unlisted market in Nigeria.
- 13.5 This Condition applies to all shares in the Licensee the holder of which for the time being is entitled to vote on any matter at a general meeting of the Licensee.

Payment of Fees

- 14.1 In consideration for granting the Licensee the right to operate and provide the service, the Licensee shall pay to the Commission:
- (a) The Licence Fee; and
 - (b) An Annual Operating Levy which shall be assessed at one percent (1%) of the Licensee's Net Revenue for the relevant period, being its Gross Revenue less such Costs as may be stipulated in the AOL Regulations.
- 14.2 The most recent audited account or where this is not available, the management account or any other account or projection of the Licensee's operations will be admitted for the purpose of calculating the turn-over for the year under consideration and may be duly adjusted when the years audited account becomes available.
- 14.3 The Commission shall determine the Licence fee payable for and in respect of any renewal of the Licence.

Requirement to Furnish Information to the Commission

- 15.1 The Licensee shall furnish to the Commission, in such manner and at such times as the Commission may request, such documents, accounts, estimates, returns or other information and procure and furnish to it such reports as it may reasonably require for the purpose of exercising the functions assigned to it by or under the Act.
- 15.2 In making any such request the Commission shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish a report which would not normally be available to it unless the Commission considers the particular report essential to enable it exercise its functions.
- 15.3 Without prejudice to the generality of Condition 15.1 the Licensee shall, if the Commission so requests, furnish to it within six (6) months of its financial year end a "Financial Statement". If the Commission so requests, there will be appended to the statement a report from the Licensee's Auditor stating whether in its opinion the methods of allocation of costs, assets and liabilities are reasonable and whether the statement has been properly prepared applying those methods and is adequate for the purposes specified in Condition 15.4.
- 15.4 In this Condition, "Financial Statement" means an accounting statement the purposes of which are to set out and fairly present the costs (including capital costs), revenue and financial position of the Licensee's services including a reasonable assessment of the assets employed in and liabilities attributable to those services. The level of desegregation as between services specified in, and in relation to the financial information contained in, the statement shall be such level as the Commission may require from time to time after consultation with the Licensee.
- 15.5 In making demands for information, the Commission shall give a reasonable time frame for response and the information so given shall be kept confidential and not be revealed to third parties.

Revocation of Licence

- 16.1 The Commission may revoke this Licence by giving the requisite notice in writing to the Licensee at its registered office where the Licensee is in breach of these Conditions, the Act or its subsidiary legislations, and the breach has not been rectified after the Commission had notified the Licensee of the breach.
- 16.2 The Commission may also revoke this Licence by giving notice, in any of the following circumstances:
- (a) if the Licensee agrees in writing with the Commission that this Licence be revoked;
 - (b) if the Licensee ceases for a period of six (6) consecutive months, to carry on the business for which this Licence is granted;
 - (c) if within twelve (12) months of the issuance of this Licence, the Licensee has not commenced full operation to the satisfaction of the Commission;
 - (d) if this Licence was obtained by providing false information or fraudulent misrepresentation;
 - (e) if the Licensee:
 - i. has been declared bankrupt by a court as a result of inability to pay its debts,
 - ii. enters into receivership or liquidation,
 - iii. takes any action for voluntary winding-up or dissolution or such action is taken by any other person or enters into any scheme of arrangement (other than in any such case for the purpose of reconstruction or amalgamation) upon terms and within such period as may previously have been approved in writing by the Commission or if a receiver or trustee is appointed or if any order is made for its compulsory winding-up or dissolution.

Exceptions and Limitations on Obligations in Schedule 1

17.1 Unless the context otherwise requires, the Licensee's obligations under these Conditions shall have effect subject to the following exceptions and limitations:

- (a) The Licensee shall not be held to have failed to comply with an obligation imposed upon it by or under these Conditions if and to the extent that the Licensee is prevented from complying with that obligation by any physical, topographical or other natural obstacle, by the act of any National Authority, Local Authority or International organisation or as a result of fire, explosion, accident, emergency, riot or war.

Amendment of Licence

- 18.1 The Commission shall, have the power to amend this licence whenever it deems fit, if such an amendment, in the opinion of the Commission, is necessary in order to ensure that the aims of the licence are achieved, or if it is in public interest. The Licensee will be carried along in the amendment process, and its opinion on the proposed amendment will be sought, to ensure that its interest and contractual rights are fully protected.
- 18.2 A proposal to amend the Licence may also be made by the Licensee, and the Commission will be required to consider the proposal.
- 18.3 The amendment of the licence, whether initiated by the Commission or proposed by the Licensee, will be in accordance with the procedure as may be prescribed by the Commission.

SCHEDULE 2: SPECIFIC CONDITIONS OF LICENCE FOR THE PROVISION AND OPERATION OF VALUE ADDED (AGGREGATOR) SERVICES

Condition 19

Scope of Operation

- 19.1 The Licensee is authorised by this Licence to provide direct and secured connections linking VAS Content Providers and any Network Service Provider that has the capacity to transmit value added services to end users. This Service is limited to multiplexing and distributing of signals from VAS Content Providers to Network Service Providers, as may be requested by the VAS Content Providers.
- 19.2 The Licensee is authorised by this Licence to provide direct link for VAS Providers to Internet or Gateway Service Providers, as may be necessary.
- 19.3 The Licensee is authorised by this Licence to provide billing, collocation, intermediate monitoring and network security services (including but not limited to identification of illegal Short codes, messages without senders' identifications, firewall for enforcing business rules) to VAS Providers requiring such services.

Technical Requirements and the Use of Short Codes

- 20.1 The Licensee shall comply with all applicable regulatory provisions and technical standards specified by the Commission for the provision of services by VAS Aggregators.
- 20.2 The Licensee shall not alter any of these standards except with the written approval of the Commission.
- 20.3 The Commission shall assign short codes to VAS Content Providers in line with the principles of equity, fairness, and transparency. The assigned codes shall only be utilised for provision of authorised services and in accordance with the numbering plan for short codes.
- 20.4 The service provisioned on a short code and the duration of such a service, shall be in accordance with the specific approval as may be granted by the Commission for that particular short code.
- 20.5 The Licensee shall ensure that any short code submitted to it for configuration is assigned by the Commission, and the Licensee shall configure the approved short code within fourteen (14) working days from the date of submission.
- 20.6 In furtherance of the provision of Condition 20.5 the Licensee shall on a quarterly basis, send to the Commission the following information on the configured short codes: Name of organisation; Name of contact person, including telephone number and office address; short code configured; purpose; date of activation; and duration of the service.
- 20.7 The Licensee shall at all times comply with the Numbering Regulations, which also apply to Short Codes, given that Short codes are an essential part of the National Numbering Plan. The Licensee shall also comply with the Guideline on Short Codes or any subsidiary legislation on the usage of Short Codes, as may be published by the Commission from time to time.
- 20.8 The Licensee shall ensure that it does not utilise any Short codes not generated or issued by the Commission, neither shall it route traffic to, and from illegal codes, or deliver content to such codes.
- 20.9 The Commission shall have the right to withdraw Short codes without any form of compensation where:
- (a) The Short codes are not used within sixty (60) days of assignment;
 - (b) The renewal fees for the Short codes are not paid as at when due; or
 - (c) The Short codes are used for illegal purposes, including those prohibited in the Numbering Regulations.

Provision of Access

- 21.1 The Licensee shall have the right of access unto the VAS Provisioning Facility of any Network Service Provider for the purpose of aggregating and distributing VAS Payloads from various VAS Content Providers to any Network Service Provider, as may be requested by the access partner. The categories of access are as follows:
- (a) VAS Developers' access to VAS Providers' hosting facilities
 - (b) VAS Providers' access to VAS Aggregators' transmission facilities
 - (c) VAS Aggregators' access to telecommunications operators' network
- 21.2 Where a Network Service Provider denies the Licensee access to its Network having met the basic requirements, the Licensee shall within sixty (60) days of such refusal notify the Commission and it shall be the responsibility of the Commission to determine whether or not such denial is justifiable.
- 21.3 The Licensee shall have direct access to local network operators in Nigeria, and must connect to the network operators through at least two (2) independent transmission links or data centre cloud environment to ensure reliability.

Copyright Infringement and other Prohibitions

- 22.1 The Licensee shall ensure that VAS Content Developers being hosted take responsibilities for any copyright, franchise or royalties, associated with the content it provides to subscribers. Accordingly, subscribers shall not be liable for any violation of copyright.
- 22.2 The Licensee can offer real time content as long as there is no copyright infringement and it conforms to all applicable laws.
- 22.3 The Licensee is responsible for any legal or regulatory issues which may arise from the content that passes through its system, and in this regard, the Licensee must ensure that all such contents do not contain materials that violate any law or regulation. Where there are complaints or investigations into the nature of the content, the Hosting Service Provider (Network Service Provider/ Aggregator) may compel the VAS Provider to allow access to the content to ensure that it does not break any law.
- 22.4 The licensee is not permitted to have access to third-party information passing through its equipment, either for viewing, copying or storage or modification or addition; even when such content is collocated on its premises or servers.
- 22.5 The contents hosted by the Licensee shall not violate any law, including those relating to pornography, child on-line protection and same-sex relationships.

Interconnection, Revenue Sharing and other Agreements

- 23.1 The Licensee shall have the right to interconnect with the Network of a Carrier or other mobile network operator.
- 23.2 The Licensee shall enter into an agreement with a Carrier or other mobile network operator to connect and keep connected their respective systems, and to establish and maintain such one or more points of connection. The Licensee shall provide the Commission with a copy of such agreement.
- 23.3 Revenue sharing agreements should be submitted to the Commission for purposes of information. The Licensee shall ensure that tariff, fees and revenue sharing shall be just and reasonable, and must not inhibit market entry nor distort competition.
- 23.4 All revenue sharing agreements should take into consideration the following sharing formula:
- | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (a) | Development Cost: Including Conceptualisation, Research and Development, Intellectual Property, Source code, Third-party licences, Upgrade | 40% |
| (b) | Hosting Cost: Including Servers, UPS, hosting platform software, firewalls, call logging | 20% |
| (c) | Aggregation/Distribution Cost: VPN, fibre cable, multiple transmission links from aggregator to operator networks | 10% |
| (d) | Branding and Advertising | 10% |
| (e) | Billing , Revenue Collection and Accounting | 10% |
| (f) | Transport Cost: Transfer of subscribers' requests to VAS Content Providers and conveying content from Hosting service Providers back to subscribers | 8% |
| (g) | Customer Care/Call Centre | 2% |

Advertisements and Promotions

- 24.1 All advertisements and promotions must indicate the terms and conditions, payment method, (subscription or pay as you go) and service pricing information, in a conspicuous format. The names and contact details of the operator, VAS Aggregator or VAS Providers offering the service must also be stated in every advertisement and promotion.

Duration, Expiration and Renewal of Licence

- 25.1 The Licence shall be valid for a period of five (5) years, and shall be renewed for a further period of five (5) years upon its expiration. The Licensee shall give notice of its intention to renew the licence six (6) months prior to the expiry date. Renewal of the Licence shall be subject to the payment of all regulatory fees.

Billing

- 26.1 The Licensee shall operate a billing model that is fair, transparent and non-discriminatory. Customer billing and tariff can be based on measured traffic or by subscription (monthly or annually), both post-paid and prepaid billing models can be deployed. The Commission reserves the right to inspect and test the billing system in order to determine its accuracy and consistency.
- 26.2 The Licensee shall make available to the consumer on request, detail itemised bill indicating relevant parameters as published by the Commission from time to time in the Technical Standard for VAS provisioning. The price charged for a service shall be equal to the value of the service rendered based on the tariff structure agreed with the customer.

Type Approval of Equipment

- 27.1 The Licensee shall ensure that its equipment is type approved by the Commission, or a body approved by the Commission, before commencement of operations.

Limitation of Liabilities

- 28.1 Subject to Condition 28.2 and notwithstanding any contrary provision of this Licence, the Commission shall not be liable in contract, tort or otherwise to the Licensee or any third party whomsoever for any indirect, contingent or consequential loss or damage or for loss of profit, business, revenue, goodwill, opportunities or anticipated savings, cost of capital, cost of substitute service, facilities or products, or down-time costs, consequent upon the issuance or actualisation of any Condition of this Licence or any act taken by the Commission in connection with or pursuant to this Licence or any other matter related however thereto.
- 28.2 The total liability of the Commission, cumulative or otherwise, under this Licence, and in regard to any matter related to the Licence, shall at all times, be limited to the actual cumulative amount paid at any given time to the Commission by the Licensee for the Licence.

Limitation of Licence

- 29.1 The Licence does not authorise the provision of telecommunication services such as transmission networks, switches, external fibre links (inter-city and metro rings), and other similar services which require licences from other organs of government.
- 29.2 The Licensee shall not perform any deep packet inspection or data-level processing when providing transmission services. Access to signals should be limited to inspection of destination address for routing purposes only while the mux/demux equipment or routing procedure should be flexible enough to enable a VAS Payload from the Licensee be selectively directed to a specific operator or selected number of network operators based on the VAS Provider's request.