



LICENSE FRAMEWORK FOR VALUE ADDED SERVICES

A Value Added Service (VAS) Provider is any person or organization that engages in the provision of value added mobile/fixed services, including premium rated services. The VAS providers will have to sign a contract with a network operator enabling the provision of such services.

It should be noted however that there are four entities (Companies/individuals) that work together to bring value added services to the end user; they include Value Added Service providers, application providers, Value Added Service aggregators, and network operators. By this definition, therefore, a Value Added Service Provider can combine the role of the first three and leverage on the infrastructure of the network operator to provide the service. This License category will also be available to the 3 entities.

THE OBJECTIVES OF THE VAS LICENSE

The objective of this authorization is to establish a framework to implement appropriate safeguards in relation to use of mobile Value Added services by ensuring that;

1. To provide Legal and Regulatory Framework for Value Added Services
2. To ensure that Customers are sufficiently informed of the nature, prices, terms and conditions of Value Added Service at the point of sale, in advertising, and while using the services.
3. To ensure that consumers/subscribers are educated about the conditions and terms of Value Added Services, for e.g. right to privacy of the subscriber, no unsolicited messages, right to 'opt in' and 'opt out' of a service by a subscriber etc.

4. To ensure that Customers can readily access an unsubscribe mechanism for each Value Added Service, to discontinue a service and avoid incurring further charges.
5. To ensure that Customers have a convenient, fair and efficient means of resolving complaints arising in respect of Value Added Service services.
6. To encourage entry into the telecom industry by investors which promotes competition that would guarantee better services for subscribers and additional revenue to the operators.

THE LICENSE SCOPE

The following are some of the services expected to be rendered by Value Added Service Providers;

1. Entertainment-Premium rate messages, subscription service for TV and radio polling, games, chat, quizzes.
2. Marketing- Premium billed contest, subscription services, group functions, incentives and promotions
3. Advertising-Drive purchases to target markets, create affinity groups and ongoing communications of new products using broadcast (TV, Radio), print (online, newspaper, magazine)
4. Commerce- Transaction fees for the redemption of coupons, point of sale purchases and micro payments; subscriber rate plans.
5. Generally, some form of mobile Value Added Service to be provided include; Text messages, Picture messages, Ring tones, Graphics, Games, Mobile Internet Sites, Videos, Multimedia, Call Directory and Call Centre services.

GUIDELINES

Value Added Service Licensee must at all times adhere to the following guidelines;

1. Service Subscription- subscribers have a right to privacy; therefore on no circumstance should a provider send an unsolicited message to a non subscriber. Approval must be obtained prior to sending commercial SMS messages and other Value Added Services. Subscriber approval pertains only to the specific programme to which the consumer subscribed.
2. Service providers must not send or have others send on their behalf, unsolicited, random or untargeted telecommunications messages (SPAM).
3. Advertising and Promotion- All advertising and promotions must clearly indicate whether a service is a subscription; terms and conditions of programme clearly stated; Service pricing information is clearly and conspicuously indicated.
4. The consumer must have the right to 'opt-in' or 'opt-out' of any promotion or program/service, whether subscription based or otherwise.
5. No Value Added Service may be promoted as being "free" if it involves any charge whatsoever to the consumer. No product or service may be described as "free" if it is obtainable only by the use of a premium rate service involving a charge to the customer.
6. Text messages sent and received by consumer must be stored by the service provider for a period of six months or any period determined to be reasonable by the service provider. There should be no hidden charges. Any associated charges for services rendered should be disclosed.
7. Service providers must build safeguard measures to the satisfaction of the regulator to ensure that no sexually suggestive or explicit material is transmitted in the course of the service.
8. Messages that must not be premium- for SMS containing help and error messages or other general information or for messages requesting for information or stopping a service, the Value Added Service provider must not charge the end user.

9. Customer support- The Value Added Service provider is obliged to maintain customer support on all services. Complaints shall be dealt with within a reasonable time frame. Where a complaint is not being approved, reasons and decision must be conveyed to the complainant within a reasonable time.
10. Value Added Service providers shall implement appropriate mechanisms to ensure and make available by appropriate means at least two methods of directly contacting the service provider. In this regard, all advertisement must include the name, telephone numbers and contact details of the relevant Value Added Service provider.
11. Value Added Service Provider shall adhere to the Quality of Service Regulations and other regulations issued by the Commission.

In addition to the above guidelines, we believe that there is the need for the industry to develop a Code of Practice for all forms of Value Added Service Provisioning. The code of practice will also be binding on Network Operators if they choose to provide the Value Added Service services directly. The Commission may request stakeholders to develop this Code of Practice for use in the Nigerian market, which must be approved/ratified by the Commission. This is in line with global practice and the Commission's objective of promoting self regulation in the industry.

SERVICES ENVISAGE UNDER VALUE ADDED SERVICES

Some of the services that fall under this license category include the following;

1. Text messages, Picture messages, Ring tones, Graphics, Games, Mobile Internet Sites, Videos, Multimedia etc.
2. All Services using or needing Short Codes
3. Call Center Services
4. Call Directory Services
5. Prepaid Calling Card
6. Special Numbering Services

ADDITIONAL GUIDELINES FOR APPLICABLE TO CALL CENTRE SERVICE PROVIDER

1. A Call Centre service provider must be registered by the Corporate Affairs Commission.
2. A Call Centre service provider can take resources from any authorized provider.
3. The Service Provider for the resources to be used by a Call Centre, as well as the Call Centre is liable to any violation of the terms and conditions of the licenses.
4. Interconnectivity of two call centers of the same organizations but at different locations is permissible to create redundancy subject to further approval from the Commission.
5. Equipment in use must be type approved by the Commission.

METHOD OF APPLICATION FOR VALUE ADDED SERVICE LICENSE

The application process for a vas should be treated in line with the established process and procedure for all individual licenses by filling the applicable license application form.

LICENSE FEE

The License Fee will be as determined for the various services covered by this license.

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.