



DETERMINATION OF USSD PRICING

(AMENDED)

Issued by

The Nigerian Communications Commission

On this 24th Day of July, 2020

DETERMINATION OF USSD PRICING

1. Introduction:

a) On the 23rd of July, 2019, the Nigerian Communications Commission (the Commission/ NCC) acting pursuant to its powers under the Nigerian Communications Act, 2003 issued a determination on the pricing of USSD services which took effect from the 1st of September, 2019 (available on the NCC website via the following URL:

<https://www.ncc.gov.ng/docman-main/legal-regulatory/legal-determinations/831-determination-on-ussd-pricing/file/>

b) Following the issuance of the determination, the financial service providers (FSPs) demanded that the Mobile Network Operators (MNOs) migrate from corporate billing (between the MNOs and the FSPs) to end-user billing (MNOs charging the consumers directly). Further to public opposition to the end user billing, the Honorable Minister of Communications and Digital Economy intervened and requested the suspension of the planned migration.

c) The Commission has reviewed the issue further, in consultation with the Minister of Communications and Digital Economy, and concluded that, the use of USSD channel for financial transactions is a service provided by the Mobile Network Operators to/ for the Financial Service providers;

d) To facilitate the provision of financial services over USSD channel, the Commission proactively issued Short codes (USSD Strings) to financial service providers. The USSD strings are used by the customers of the FSPs to carry out digital financial service transactions. These customers have no direct relationship with the MNOs vis-a-vis financial services assessed through the USSD string and as such cannot be charged directly for the use of the USSD channel. Charging consumers directly for the use of USSD for Financial services would result in double billing since the FSPs also charge the consumers for such services.

2. In view of the foregoing and after taking into consideration the concerns of stakeholders, the Commission hereby reviews the Determination published on 23rd July, 2019 and determines that:

a) A USSD session is 20 Seconds.

- b) The Cost of a USSD session on the MNO network is N1.63K
- c) This determination does not apply to the currently zero rated USSD services such as customer service, balance enquiry, purchase of airtime and data services, etc. related to Telecommunications services.
- d) The cost should form the basis of negotiations between MNOs and other related service providers using USSD channels e.g. Banks and Financial Institutions.
- e) MNOs must not charge the consumers directly for the use of USSD channel for financial services in the form of end-user-billing. The transaction should be between the MNOs and the entity to which the service is provided. All billings by MNOs for Financial Service using USSD code assigned to FSPs must thereby be implemented via the Corporate Billing model.
- f) Payments for transactions carried out prior to the effective date of this Determination should be made in accordance to the previous rates.
- g) In line with the provisions of Section 108 of the Nigerian Communications Act, 2003 (NCA), the MNOs must notify the Commission of the agreed rates following negotiations with the FSPs, before implementation;
- h) Where the MNOs and FSP are unable to agree on rates, the matter should be expeditiously referred to the Commission for regulatory Intervention and the Commission's decision shall be final and binding.
- i) Refusal to pay for services provided or to negotiate in good faith will result in the discontinuation of provision of the service, the possible withdrawal of the USSD short code by the Commission and/ or imposition of regulatory sanctions in line with the NCA, 2003
- j) This Determination shall take effect from the 1st Day of August, 2020 and remains valid and binding on Licensees and service providers on USSD channels.
- k) The Commission reserves the right to amend and review this Determination at any time. Such review may be necessitated by major changes in the market conditions and/or the underlining principles of this Determination. In this Determination, unless the context requires otherwise, the following expressions shall have the meanings set out below:

- l) In this Determination, unless the context requires otherwise, the following expressions shall have the meanings set out below:

USSD	Unstructured Supplementary Service Data is a service that allows mobile phone users to interact with a remote application from their device in real time. A predefined session is started once a user dials in to facilitate the transfer of information between the application and the user. It is a highly scalable service as it does not require an internet connection and is supported by both feature and smartphones
FSPs	Financial Service Providers: any authorised provider of payment and/or financial services.
MNO	Mobile Network Operator: a company that has a valid license to provide telecommunications services through mobile devices
Digital Financial Services	Digital financial services include methods to electronically store and transfer funds; to make and receive payments; to borrow, save, insure and invest; and to manage a person's or enterprise's finances. The broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. The digital financial services (DFS) concept includes mobile financial services (MFS).

Dated this 24 Day of July, 2020.



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