



## **SUMMARY OF THE COMMISSION'S COMPLIANCE MONITORING AND ENFORCEMENT ACTIVITIES FOR QUARTER TWO (2), 2014**

### **Introduction:**

Consistent with Section 89 of the Nigerian Communication Act 2003 which mandates the Commission to monitor all significant matters relating to the performance of all licensed telecoms service providers, the Compliance Monitoring and Enforcement Department has developed monitoring strategies to prosecute the above mandate and achieve the Commission's objectives of fair competition, ethical market practices and optimal quality of service in the Nigerian telecoms industry.

### **Activities:**

The following represents the major compliance monitoring and enforcement activities in Quarter (2), 2014

1. **COMPLIANCE CHECK ON MTN NIGERIA COMMUNICATION LIMITED'S OBLIGATIONS ON THE CURRENT DOMINANCE STATUS TOGETHER WITH THE BAN ON PROMOTIONS ON ITS NETWORK**

In 2013, the Commission carried out a determination of dominance position in the various segments of the Nigerian Telecommunications market. That study resulted in the declaration of MTN Nigeria Communication Limited as the dominant operator in the mobile voice segment of the market.

Consequently, the Commission placed certain obligations on MTN Nigeria Communication with effect from May, 2013. These include amongst others:

- *Not to offer any differential pricing in its On-net and Off-net mobile voice service. Hence, MTN Nigeria Communication Limited was directed to collapse its On-net and Off-net Tariff.*

The above direction became necessary to promote fair competition, avoid any potential failure of the Nigerian telecoms market and improve quality of service.

Also in February, 2014, following the failure of MTN Nigeria Communication Limited, Airtel Networks Limited and Globacom Nigeria Limited to meet the various Quality of Service (QOS) Key Performance Indicators (KPI), the Commission placed a ban on any promotions or bonus offers on these networks until further notice.

Our recent monitoring of compliance with the above regulatory obligations revealed various cases of glaring violations of both the dominance obligations and the ban on promotions by MTN Nigerian Communications Limited.

Following the Commission's findings, MTN Nigeria Communication Limited was invited to provide its explanations for the observed violations. However, the explanations by MTN Communications Nigerian Limited were considered and found to be unacceptable.

Consequently, the Commission issued a **FINAL WARNING** to MTN Nigeria Communications limited and directed as follows:

1. *MTN should forthwith collapse the On-net and Off-net tariff on its network and strictly comply with all obligations placed on MTN under the 2013 Declaration of Dominance;*
2. *MTN should notify the Commission of compliance with the act within 10 (Ten) days of receipt of the directive;*
3. *MTN should forthwith discontinue and withdraw all unapproved promotion: including but not limited to "MTN 100% Daily On-net Promo; "MTN 200% recharge bonus", On-net Bonus SMS Promo", MTN All day WOW Promo" etc.*

## **2. SANCTIONS AGAINST GLOBACOM FOR CONTRAVENTION OF PARAGRAPH 8(2) OF NCC'S (ENFORCEMENT PROCESSES, ETC) REGULATION 2005 AND PARAGRAPHS 4 OF THE COMMISSION'S GUIDELINES ON ADVERTISEMENTS AND PROMOTIONS – NOTICE OF SANCTION**

Following Globacom's breach of the Commission's directive on the ban of promo and advertisement, the telecoms operator was fined N2, 000,000.00 as sanction for the GLO CAF award promotion campaign.

Globacom was also directed to pay another Two Million Naira (N2, 000,000.00) for contravening the ban on promotions and advertisement on its "**My phone double**" promotion. Globacom Ltd has since paid the fine on the 27<sup>th</sup> May, 2014

## **3. ENFORCEMENT ACTION AGAINST MASTERS ENERGY OIL & GAS LIMITED**

The Commission carried out Enforcement action against Masters Energy and Gas Ltd regarding interference on Emerging Markets Telecommunications Services (EMTS) uplink frequency in Port Harcourt which was as a result of a jamming device installed at its premises. The Commission removed the offending devices during the physical enforcement action was carried out against the company on the 29<sup>th</sup>- 30<sup>th</sup> April, 2014.

**4. PUBLIC NOTICE ON THE BAN OF USE OF JAMMERS IN THE NIGERIAN TELECOMS SPACE**

Further to the above, a public notice banning the sale, installation and use of phone jammers in Nigeria was also published in the national Newspapers.

**5. SANCTION AGAINST WEBB FOUNTAINE NIGERIAN LIMITED FOR THE UNAUTHORIZED UTILIZATION OF MICROWAVE FREQUENCY CHANNELS AND DEPLOYMENT OF VSAT TERMINALS**

The Commission in the course of its compliance and enforcement exercise detected that Webb Fountaine Nigeria Limited was providing Telecommunications services to the Nigerian Customs Service without the requisite license from the Commission. The attention of Webb fountaine was drawn to the illegal provision of these services which started since 2010 despite several advices from the Commission to regularize its operations.

As part of the sanctions for illegal operations, Webb Fountaine was fined a cumulative sum of N266, 416,000.00 (Two Hundred and Sixty-Six Million, Four Hundred and Sixteen Thousand Naira) only.

**6. ARREST OF HAWKERS OF PRE-REGISTERED SIM CARDS**

The Commission's attention was drawn to the sale of pre-registered SIM Cards in some parts of the country. Consequently, the Commission in a joint raid with law enforcement agents on Thursday, 19<sup>th</sup> June, 2014 arrested three hawkers with four (4) active SIM cards. In all, **40 Pre-registered SIM Cards** belonging to the under listed operators were detected:

- 1. MTN – 6**
- 2. Airtel – 2**
- 3. GLO - 17**
- 4. EMTS - 15**

The affected operators have been made to provide details of the SIM Cards respectively while investigation is on-going.

## **7. COMPLIANCE MONITORING EXERCISE WITH FOCUS ON THE VALUE ADDED SERVICE (VAS) LICENSEES**

As part of the Commission's strategy of improving regulatory effectiveness and ensuring fair competition, ethical market conduct and optimal quality of service in the Nigerian telecoms industry, a compliance monitoring exercise was carried out focusing on the VAS Segment of the telecoms industry. Over the years network service providers, in wake of dwindling revenue in the voice segment of the market, have channeled its resources into the VAS market taking advantage of the vast innovation, creativity of content service providers in the industry. However, the quality of service delivery and other attendant consumer matters have been a cause for concern to the Commission and other stakeholders in the industry.

The Commission carried out the Compliance Monitoring of Value Added Service (VAS) Licensees during the quarter and below are some of our findings:

- (a) High level of telemarketing i.e. unsolicited commercial communications by mobile network operators/value added service providers soliciting for subscriptions' for their services. This results in a great deal of discomfort to the subscribers and affects consumer quality experience;
- (b) Subscribers are requested to subscribe to a value added service just by PRESSING a certain key/keys on the mobile handset; E.g. "Press star" (\*) nine (9) to copy this tune"
- (c) Subscribers are charged for value added service without explicit or verifiable consent or authorization.

In view of the above findings, the Commission would be hosting an Engagement/Interactive Session with Value Added Service providers, Mobile Network Operators (MNOs) and other relevant stakeholders in Lagos on 7<sup>th</sup> August, 2014 with a view to developing a robust regulatory framework for VAS operations in Nigeria.