



DRAFT LICENCE FRAMEWORK

FOR

**INTERNATIONAL APPLICATION TO
PERSON (A2P) MESSAGING IN NIGERIA**

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DRAFT LICENCE FRAMEWORK FOR INTERNATIONAL APPLICATION TO PERSON (A2P) MESSAGING IN NIGERIA

1.0 Introduction

Application-to-Person (A2P) messaging is a communication format in the telecommunications sector used to send for Short Message Services (SMS) or 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.

This 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.

2.0 Current State of International A2P Messaging in Nigeria

Below reflects the Status of the A2P Messaging in Nigeria:

- a. The International A2P SMS service segment is not fully regulated, unlike the voice service segment.
- b. Local Mobile Network Operators (MNOs) independently monetize international A2P SMS traffic, often using various technologies that may not be secure or known to the regulator.
- c. Individual operators set their tariffs, leading to distortions and inconsistencies in termination rates.
- d. 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.
- e. 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.

The International SMS Service Ecosystem in Nigeria has not been fully brought under regulatory control. It has been observed that the excessive use of the Short Message Service has led to fraud, spam and illegal activities. The problem is likely to worsen as mobile connectivity and digital services continue to grow exponentially.

To address these challenges, implementing a Centralized SMS Firewall is necessary. This system will regulate SMS exchanges, safeguard the integrity of short message communications and mitigate emerging threats. It will enable the Commission to maintain full regulatory oversight of the SMS service ecosystem, ensuring security and fraud control.

3.0 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.

- a. 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.
- b. Standardized tariffs and increased transparency will promote fair competition among operators, preventing monopolistic practices.
- c. Removal of fraud and unwanted traffic by enhancing security measures to detect and remove fraudulent and unwanted SMS traffic.
- d. Securing the SMS Space by implementing security protocols to protect the SMS ecosystem.
- e. Creating a new revenue stream for the government through 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.

1.1 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.

- b. To ensure that all brands and Over-The-Top (OTT) service providers route their A2P SMS traffic through a central hub, ensuring standardized processing and monitoring.
- c. Require every local mobile operator in Nigeria to integrate their systems with the unified A2P platform within a specified timeframe, ensuring comprehensive coverage and compliance.
- d. To introduce and enforce a structured rate regulation to govern the pricing of International A2P SMS services. All entities using the A2P platform must adhere to the set rates, ensuring fairness and consistency.
- e. 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.
- f. Enhance security protocols to protect user data and ensure the confidentiality and integrity of A2P messaging services. This involves implementing stringent measures to safeguard against data breaches and unauthorized access.

4.0 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.

4.1 Scope of the Licence

To develop and oversee a centralized 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

4.2 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.
- c. The services must not be used for activities not in compliance with the conditions of licence nor in contravention of the provisions of the Act, or any successive legislation thereto.
- d. The licence does not qualify the Licensee for the assignment of International Signaling Point Code (ISPC) and National Numbering Plan.
- e. 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.

4.3 Licence Fee

The proposed Licence fee is proposed at N10, 000,000 (Ten Million Naira) only.

4.4 Tenure

The tenure for the Licence is five (5) years, which may 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 and compliance with all regulatory obligations.

4.5 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.

4.6 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.
- c. Any A2P message not accompanied by an 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 messages (SPAM).
- f. The consumer must have the right to 'opt-in' or 'opt-out' of any promotion or program/service, whether subscription based or otherwise.
- g. Text messages sent and received by consumer must be stored by the service provider for a period of six (6) 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.
- h. Service providers must build safeguard measures to the satisfaction of the regulator to proper rules of conduct.
- i. Service providers should not charge consumers for SMS messages that provide help or error information, convey general service information or are sent by the consumer to request information or cancel a service.
- j. Service Provider shall adhere to the Quality of Service Regulations 2024 and other regulations issued by the Commission.

5.0 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

6.0 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.

7.0 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..

8.0 Security Protocols

All licensees are required to implement robust security protocols, including:

- a. 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.

9.0 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.

10.0 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.

11.0 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.

12.0 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.

13.0 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.

14.0 General Conditions

The general conditions applicable to individual licences granted by the Commission will apply.

15.0 Framework Review

The Commission will periodically review the licensing framework to reflect market changes, technological advancements, and emerging threats in the A2P messaging ecosystem.

DEFINITION OF TERMINOLOGIES

- A2P: Application –To-Person messaging is any kind of traffic in which a person is receiving messages from an application.
- API: Application Programming Interface - is a software intermediary that allows two applications to talk to each other.
- IDA: International Data Access
- ISPC: International Signaling Point Code
- MNO: Mobile Network Operator
- NDPR: Nigerian Data Protection Regulation
- OTT: Over-The-Top Service refers to technology (OTT services or platforms) that delivers streamed content via internet-connected devices.
- Sender ID: The name or number that is displayed as the sender of the SMS message to the receiver of the SMS message
- SPAM: Any unsolicited communication sent in bulk. Usually sent via email, spam is also distributed through text messages (SMS), social media, or phone calls.
- SMS: Short Message Service - is a text messaging service that allows the exchange of short text messages between mobile devices.