



## **REPORT OF THE STAKEHOLDERS' FORUM ON THE DRAFT GUIDANCE ON UNUTILISED AND UNCLAIMED SUBSCRIBERS' RECHARGES IN THE NIGERIAN COMMUNICATIONS SECTOR**

### **1.0 INTRODUCTION**

The Nigerian Communications Commission (the Commission) in exercise of its powers under the Nigerian Communications Act 2003 (the Act), commenced the process of issuance of the Draft Guidance on the Unutilised and Unclaimed Subscribers Recharges in the Nigerian Communications sector (Draft Guidance).

Based on the Commission's policy of participatory rule-making, the Draft Guidance was published on its Website for comments from the general public, particularly its licensees and other stakeholders. Further to this, the Commission received submissions from various stakeholders.

As required by Section 58 of the Act, Notice of a Public Inquiry was published on the Commission's Website, and in 2 (two) National Dailies (Daily Trust and ThisDay Newspaper) on Friday, March 28, 2025, scheduling a Stakeholders' Forum on the Draft Guidance for Tuesday, April 8, 2025.

### **2.0 THE STAKEHOLDERS' FORUM**

The Stakeholders' Forum held virtually as scheduled. It commenced at 11:10am and was chaired by the Executive Commissioner Stakeholders Management (ECSM), Ms Rimini Makama, representing the Executive Vice Chairman/Chief Executive Officer, Dr Aminu Maida. Attendees at the Stakeholders' Forum included Staff of the Commission, representatives of communications companies and other interested stakeholders.

The HLR welcomed everyone present, noting that the event was key to the rule-making process of the Commission and stands as a testament to the Commission's commitment to transparent and collaborative regulation. She urged everyone to apply themselves maximally to the event for the benefit of the industry.

On behalf of the EVC/CEO, Dr. Aminu Maida, the ECSM, Ms. Rimini Makama gave the welcome address emphasizing the Commission’s commitment to consumer protection and industry sustainability. She highlighted the importance of addressing the fate of unused prepaid balances when accounts become inactive, referencing the Quality-of-Service Business Rules 2024. She stated that the Forum aimed to foster collaborative discussions to develop a Guidance that balances consumer rights with effective regulatory oversight.

Mrs. Hauwa Alaya (Senior Manager, LRS Department) gave a presentation on the Draft Guidance on unutilised and unclaimed Subscribers' Recharges, while Mr Tewi Tanko (Senior Manager, LRS Department) presented the comments received prior to the Stakeholders’ Forum along with the Commission’s responses.

## **2.1 GENERAL OVERVIEW OF THE DRAFT GUIDANCE ON UNUTILISED AND UNCLAIMED SUBSCRIBERS’ RECHARGE**

The Commission has proposed a Regulatory Framework addressing unused airtime on disconnected mobile lines. This Draft Guidance establishes a 12 (Twelve)-month reclamation period following line disconnection, allowing subscribers to recover unused balances by proving ownership.

These reclaimed balances cannot be converted to cash but can be used for services (voice offerings, data usage, and value added services) on the primary network. The Draft Guidance applies the “use it or lose it” principle, common in prepaid services while attempting to balance consumer right with industry practicalities.

Communications operators must audit all disconnected numbers and submit comprehensive reports to the Commission within 90 (Ninety) days of the issuance of the final Guidance. The proposal emphasizes clear customer notifications, consumer education campaigns and enforcement measures to ensure compliance.

The Commission aims to implement a fair, and transparent policy that protects subscribers while maintaining industry sustainability.

## **2.2 REVIEW OF COMMENTS RECEIVED BEFORE THE STAKEHOLDERS’ FORUM**

### **2.2.1 AIRTEL NETWORKS LIMITED**

#### **1.1 Comment**

**Clause 5 (2):** Airtel suggested that operators should conduct an audit of all churned numbers and submit a detailed breakdown of all unclaimed and

unutilized recharges on churned lines. Submissions must include detailed documentation, such as history of each affected MSSIDN, date of churn, details of all recharges and current status of the lines.

Airtel notes that the MNOs are required to conduct an audit of all churned numbers and submit a detailed report of all unclaimed and unutilized recharges on churned lines. However, the Commission did not mention a cut-off date for the audit. To ensure uniformity, Airtel recommends a cut-off date of 6 (six) months from the issuance of the Guidance.

To align with the context of the Draft Guidance, "all unclaimed and utilized recharges" should be corrected to "all unclaimed and unutilized recharges"

### **Response**

The Commission notes Airtel's Comments and accepts the accompanying recommendations.

## **1.2 Comment**

**Clause 5 (3):** All unclaimed and unutilized recharges cannot be monetized but affected subscribers may be given service options.

This is a deviation from the "use it or lose it" principle in the Mobile Number Portability Business Rules & Port Order Processes 2020, which is in line with International best practices and global Telecommunication policies adopted by governments across the world, where subscribers forfeit all unutilized recharges on the network after the subscriber life cycle. For example, in Ghana, after a total of 180 (One Hundred and Eighty) days of inactivity, a number is churned, recycled and re-allocated, any balance is forfeited and does not transfer to the new user. Mexican Mobile Operators also enforce a period of inactivity after which any remaining prepaid balance is forfeited.

Similarly, in India, TRAI has established Guidelines for handling inactive prepaid SIM cards. If a prepaid SIM remains inactive for a continuous period of 90 (Ninety) days, MNOs may discontinue the service. However, if the account balance exceeds 20 (Twenty) Rupees, the provider is required to deduct 20 (Twenty) Rupees every 30 (Thirty) days to extend the service automatically. This process continues until the balance falls below 20 (Twenty) Rupees, then the line is disconnected.

If the Commission in its wisdom considers it necessary to transition to subscribers being given service options for unutilized recharges, then there

should be clear definition of procedures for the conduct of due diligence for the concerned beneficiaries and conditions under which the concerned subscribers could claim the unutilized recharges. Airtel recommends that a subscriber should only be eligible to unutilized recharges if there were complaints of poor network making it difficult for the affected subscriber(s) to use his/her airtime. Otherwise, the subscriber should forfeit the airtime recharges.

Beyond the annual numbering renewal fees indicated in the Draft Guidance, the MNOs should be allowed to also deduct other costs associated with the maintenance of the line on the network prior to its churn.

### **Response**

The Commission will provide a uniform process in the finalised Guidance that will set out clear claim criteria as well as the identification and verification procedure to be followed.

## **1.3 Comment**

### **S.6 Timelines & Deadlines:**

Compliance Deadlines: Operators must meet all prescriptions of this Guidance within 90 (Ninety) days of the date of issuance.

Approval Timeframes: The Commission will review all audit reports of unclaimed and unutilized recharges within 10 (ten) working days.

Airtel requests extension of the compliance deadlines from 90 (Ninety) and 10 (Ten) days, to 180 (One Hundred and Eighty) days and approval timelines of 30 (Thirty) days respectively.

### **Response**

The Commission notes the concerns raised on timelines and compliance periods and will evaluate the timelines further at the Technical Review process.

## **1.4 Comment**

**Clause 8(1) Subscriber Notification:** Operators must notify subscribers of the plan to allow service options for churned subscribers. Notifications must be clear, stating the requirements, the service options and possible utilization of the service options across other networks.

If the industry transitions to the proposed regime, then the industry stakeholders should collectively agree on the content of the notification to subscribers before the churn, and the timeline when the notifications should be disseminated by the

MNOs. Airtel concurs that the notification must be clear, but the service options and utilization of the service options should be restricted to on-net only as stated in Clause 5(4) of the Draft Guidance.

#### **Response**

The Commission notes the comment on a collectively agreed content of notification messages and proper regulatory guidance will be provided in that regard.

### **1.5 Comment**

**Clause 8(2) Consumer Education:** Operators must implement consumer education campaigns to inform subscribers about the new approach to managing unclaimed and unutilized recharges. Educational materials should be made available in multiple formats and languages to ensure broad accessibility.

If the industry transitions to the proposed regime, the Commission and the MNOs should jointly develop a cohesive and robust campaign plan to drive consumer education on the approach to managing unclaimed and unutilized recharges in the industry.

#### **Response**

The Commission notes this comment and in its usual participatory approach, will engage the MNOs in this regard.

## **2.2.2 SMILE COMMUNICATIONS PLC (SMILE)**

### **1.1 Comment**

**Clause 5, Paragraph 1:** Subscribers can claim unutilized recharges within 12 (Twelve) months of churn.

This provision should be more precise due to variations in month lengths and leap years. Smile recommends that: Specify **365 (Three Hundred and Sixty Five) days** instead of "12 (Twelve) months" to ensure clarity, fairness, and consistency in implementation. A fixed 365-day period ensures that all subscribers are given an equal amount of time, regardless of the calendar month in which their accounts are churned.

#### **Response**

The Commission notes the recommendation and same will be implemented accordingly.

## 1.2 Comment

**Clause 5, Paragraph 2:** Conduct an audit of all churned numbers and submit a detailed breakdown of all unclaimed and unutilized recharges on churned lines. Submissions must include detailed documentation, such as history of each affected MSISDN, date of churn, details of all recharges and current status of the lines.

Clarity is needed on the scope of "history of each affected MSISDN" required. Does this refer to detailed transaction logs (e.g. recharge and usage records) or a summary (e.g. balance, churn date, recharges, and line status), and how would the data be structured amidst availability of only 2 (Two) years of transactional data? Smile recommends that: "Detailed reporting" as provided in the draft would result in high administrative burden. The Commission may consider adopting an aggregate reporting approach to minimize the administrative burden on operators. To strike a balance, the Commission can specify that operators provide a summary of key events (e.g. balance, churn date, recharges, and line status) for affected MSISDNs, rather than detailed transaction logs.

In addition, to ensure a reasonable and manageable reporting requirement, Smile recommends that the Commission specify a clear timeframe for the historical data requested. Specifically, limiting the "history of each affected MSISDN" to a maximum of 2 (Two) years would align with the current data retention period. Alternatively, the Commission may consider defining a specific timeframe (less than 2 (Two) years) for the required data, thereby preventing undue administrative burden on operators.

### Response

The comments are accepted, and the Commission further notes that 2 (Two) years would align with the current data retention period.

## 1.3 Comment

**Clause 5, Paragraph 1:** This Guidance applies to churned numbers and the affected subscribers can only claim such unutilized recharges if they initiate the process of claim within 12 (Twelve) months of the churn.

The current requirement to keep unutilized and unclaimed customer balance recharges for a 1 (One)-year period without a threshold may not be practical or cost-effective, especially for very minimal amounts. For instance, holding onto ₦1 (One) Naira worth of unused recharge for an extended period seems unrealistic, also taking into consideration that the recharge that can be claimed would be less any fee paid by operators for the number within the 1 (One)-year of Non-Revenue Generating Event (Non-RGE).

Smile suggests introducing a minimum threshold, below which unutilized and unclaimed recharge balances are not required to be retained after line deactivation. This is particularly relevant since the Guidance indicates that affected subscribers may be offered service options instead of monetized refunds. Given that no service option can be purchased with an amount as small as ₦1 (One) Naira, a minimum threshold would help strike a balance between customer convenience and operational efficiency.

#### **Response**

The Commission notes the recommendation and will provide a minimum threshold during the Technical Review process.

### **1.4 Comment**

**Clause 5: Compliance Deadlines:** Operators must meet all prescriptions of this Guidance within 90 (Ninety) days from the date of issuance.

The 90 (Ninety)-day implementation timeline for the Guidance may be a very tight timeframe, considering the uncertainty surrounding the publication date and potential conflicts with other critical configurations, such as the anticipated price increases, migration from tokenization to HA-NVS, or other peak configuration periods.

Smile recommends extending the implementation timeline from 90 (Ninety) days to 180 (One Hundred and Eighty) days. This additional time will enable operators to develop and test automated processes (especially those that do not have existing automated process), ensuring a smooth and effective implementation of the Guidance, without compromising other critical configurations.

#### **Response**

The Commission notes the recommendation and will provide a clear timeline during the Technical Review process.

## **2.2.3 MTN NIGERIA COMMUNICATIONS PLC**

### **1.1 Comment**

Clause 5(1) provides thus ‘The affected subscriber can claim unutilized recharges within 12 (Twelve) months of churn’. Absence of standardized claims and refund mechanism.

The Guidance is not structured to provide detailed procedural steps required for a subscriber to successfully initiate and complete a claim. There is no indication as to whether each operator is expected to establish an independent claims process or if a uniform mechanism will be prescribed by the Commission.

Furthermore, while the Guidance expressly prohibits refunding unused airtime in monetary form, it fails to clarify the precise method by which the refund will be processed. It remains unclear whether such refunds will be credited to the deactivated line or transferred to another registered line on the same network. This lack of specificity introduces uncertainty in implementation and the potential for inconsistencies across operators.

MTN recommends that the Commission establish a uniform and standardized claims procedure applicable to all operators to ensure consistency in implementation, that:

1. The Guidance should incorporate clear eligibility criteria, verification requirements and procedural timelines. The proposed mechanism should include claims submission via self-service portals
2. Identity verification – the claimant must provide a valid NIN, a self-image and an active phone number on the same network to which the airtime will be credited.
3. Operator validation – The claimant must have the same NIN information associated with the churned line. Airtime transfer to an active NIN verified line - Once verified, the unutilized balance should be credited only to an active line on the same network.

### **Response**

The Commission will provide a uniform process in the finalised Guidance that will set out clear identification and verification procedure to be followed.

## **1.2 Comment**

Clause 5(2): creates a mandatory obligation for operators to: “...conduct an audit of all churned numbers and submit a detailed breakdown of all unclaimed and unutilized recharges on churned lines. Submissions must include detailed documentation, such as history of each affected MSSIDN, date of churn, details of all recharges and current status of the lines.” Specification of required format for reporting obligation. The level of granularity required for these reports is not specified. The absence of detailed specifications may lead to inconsistencies in reporting format across operators, making it difficult for the Commission to conduct uniform assessments. MTN recommends that the Commission define the required structure, format and level of detail for churned line reports, specifying whether they should include aggregated or itemized data, recharge usage activities, and breakdown by recharge channels, etc. MTN further recommends the Commission stipulate a retention period for this data, which it recommends should be 2 (Two) years, in line with the Nigerian Communications (Enforcement Process, etc.) Regulations, 2019 and Cybercrime (Prohibition, Prevention, etc.) (Amendment) Act 2024. Both instruments mandate service providers to retain

traffic data and subscriber information for a period of 2 (Two) years. Additionally, given the volume of churned subscriber data and the need for proper verification, MTN recommends an extension of the compliance window to 180 (One Hundred and Eighty) days, allowing operators adequate time to configure their reporting systems and ensure accuracy.

### **Response**

The comments are accepted, and the Commission further notes that 2 (Two) years would align with the current data retention period.

## **1.3 Comment**

Clause 5(2): states that ‘Service options must be restricted to the primary network, whereas Clause 8(1) provides that: ‘Operators must notify subscribers of the plan to allow service options for churned subscribers- Notifications must be clear, stating the requirements, the service options possible utilisation of the service options across other networks.’ Contradiction between Clauses 5(2) and Clause 8(1).

These provisions appear to contradict each other, creating uncertainty regarding whether subscribers may utilize their unutilized recharges across networks. If portability of unused balances is not allowed, the requirement in Clause 8(1) to notify subscribers of service options across networks is misleading and may result in conflicting interpretation.

MTN recommends that: Implementing a policy that allows for the transfer of airtime balances between operators is strongly advised against as each operator has its own unique cost structure and accounting practices, making it impractical to facilitate such transfers without creating inconsistencies and financial disparities between networks. MTN therefore recommends that the Guidance should be edited to remove any reference in Clause 8(1) that suggests the possibility of utilisation of service options across other networks.

### **Response**

The Comment is duly noted, and clarity will be provided that will indicate that service options are restricted to the network that holds the recharge credit.

## **1.4 Comment**

Absence of express provision on treatment of unclaimed balances after 12 (Twelve) months.

The Guidance does not explicitly state what happens to unclaimed subscribers’ balances beyond the 12 (Twelve)-month period. This omission creates uncertainty regarding whether such funds should be retained as liabilities or treated as Revenue Generating Event (RGE) for accounting purposes. Operators require clear regulatory direction on the appropriate treatment of these funds to ensure uniform accounting and compliance practices. MTN recommends that the Guidance be

reviewed to expressly provide that any unclaimed subscribers' funds after the 12 (Twelve)-month period shall be forfeited and deemed an RGE.

**Response**

The Commission accepts this recommendation, and clarity will be provided on the effect of a subscriber not exercising his claim rights after 12 (Twelve) months.

**1.5 Comment**

Clause 8(2) Clarification on acceptable formats and content for consumer education materials. The referred clause requires operators to implement consumer education campaigns to inform subscribers about the new approach to managing unclaimed recharges but fails to define the minimum outreach efforts.

While operators should retain flexibility in designing engagement strategies, there should be a minimum baseline requirement to ensure sufficient dissemination of information. MTN recommends that: While operators should retain flexibility in designing engagement strategies, it further recommends that the Commission provides minimum communication requirements. At a minimum, operators be required to publish the information on their official websites and issue notifications via SMS and digital channels.

**Response.**

The Commission notes the recommendation of MTN, and clarity will be provided.

**3.0 GENERAL COMMENTS**

Dr. Mohammed Suleh Yusuf (Ag. Head, Telecoms Laws & Regulations Unit) appreciated everyone for coming and noted that the session was very informative. He stated that all the issues raised will be considered and consolidated to benefit the communications Industry.

The Stakeholders Forum ended at 12:30pm.

**Dated this ..... day of April, 2025**

**Dr. Aminu Maida**

**Executive Vice-Chairman/CEO**

**NIGERIAN COMMUNICATIONS COMMISSION**