



GUIDANCE ON THE SIMPLIFICATION OF TARIFFS IN THE NIGERIAN COMMUNICATIONS SECTOR (AS AMENDED)

NOVEMBER, 2024.

Guidance for the Simplification of Tariffs

1. Introduction

This Guidance is pursuant to the regulatory powers of the Nigerian Communications Commission (Commission) under Sections 3, 108 and 109 of the Nigerian Communications Act 2003 (Act) as well as relevant subsidiary legislations empowering the Commission in that regard. It is also in furtherance of the mandate of the Commission to regulate communications services and ensure consumer protection in the sector.

The Commission hereby issues this Amended Guidance for the simplification of tariff plans, bundles and promotional activities that include tariffs. This Guidance is designed to enhance transparency, improve consumer understanding and foster fair competition amongst licensees of the Commission.

2. Scope and Objectives

This Amended Guidance apply to all licensees of the Commission and its primary objectives are to:

- reduce the complexity of tariff plans and bundles.
- ensure that promotional elements of tariff plans are transparent and fair.
- protect consumers' interests by providing clear and understandable tariff information.
- promote fair competition among licensees by standardizing tariff structures.

These rules apply to all retail products offered by Mobile Network Operators (MNOs) to individual subscribers (both prepaid and postpaid). While other classes of Licensees must comply with the disclosure & transparency template as well as the conditions for tariff approvals.

Applicability

This Amended Guidance is a regulatory directive and will be implemented alongside the provisions of the Act, regulatory instruments and relevant subsidiary legislations as may be issued by the Commission from time to time. In the event of any conflict between this Guidance and the Act or any subsidiary legislation, the provision of this Guidance shall be subordinated to the provisions of the Act and the relevant subsidiary legislation.

3. Glossary/Key Definitions

- **Add-On** – Is an optional additional service that enhances an existing tariff plan for a price. This definition explicitly excludes data offerings and the combination of data allowances with access to specific services (such as streaming or other digital services). Examples of Add-ons include:
 - Access to Premium Content e.g. streaming services, premium channels;
 - Roaming Packages;
 - Music and Video Subscriptions e.g. music streaming or video-on-demand;
 - Additional Cloud Storage e.g. extra online storage space;
 - Enhanced Customer Support e.g. priority customer service or technical support.
- **Bonus** – A bonus is any extra Voice/Data/SMS allowance that is provided at no cost or at less than the standard price to incentivize subscribers with the intent to influence choice, opinion or behavior.
- **Bundle** - any stand-alone or combination of Voice, Data, SMS and other permanent features presented
 - a. as a single product
 - b. at a fixed price,
 - c. with a defined allowance for each component, and
 - d. available for the subscriber's use within a defined validity period.
- **Depletion Rate:** the rate charged to subscribers for usage of each unit of a component within a bundle.
- **Promotion** – This is as defined by the Guidelines on Promotional Advertisement 2023 to be any message, the content of which is controlled directly or indirectly by the advertiser, expressed in any language and communicated in any medium with the intent to influence subscribers' choice, opinion or behavior in order to receive a reward or benefit.
- **Promotional Element** – any additional voice, SMS, data, VAS or other service component which is added to a tariff plan by the Operator as an incentive and/or a reward, which is designed to influence the subscriber's choice or behavior. Examples include:
 - a) Discounted rates
 - b) Additional Percentages of service elements on recharge
 - c) Loyalty rewards
 - d) Free Data/Airtime/SMS (Bonus)
 - e) Regressive billing.

- **Tariff** - A charge by a service provider to a subscriber for either a bundle or unit of a product/service.
- **Tariff Plan** - A structured pricing scheme that outlines the charges and conditions under which telecommunications services are provided to subscribers. Every subscriber must be on a tariff plan and no subscriber can be on more than one tariff plan at a time.
- **Top Up** – a facility that allows a subscriber to:
 - a. add more airtime to their balance to enable them use network products and services of their choice, or
 - b. add additional funds to continue the use of an already purchased bundle where they have reached the allowed limit of any component of the bundle.

4. Simplification Guidance

4.1 Unbundling of Promotional Elements from Tariff Plans

- All promotional elements are to be removed from tariff plans and be offered as standalone promotions, subject to the Commission's prior approval, time-limits, QoS/capacity requirements, adherence to full disclosure requirements and in accordance with the conditions below.
- Operators can maintain existing bonus-led tariff plans till **31st December 2024**, within which period Operators are expected to educate and migrate all subscribers to the simplified tariff plans.
- Operators can choose to maintain only **one (1)** bonus-led new subscriber acquisition plan. However, a new subscriber can only be retained on such plan for a limited period of **six (6) months** before being migrated to a standard tariff plan of their choice. Where a subscriber fails to migrate after being prompted in accordance with the applicable business rules, the subscriber will be reverted to the default tariff.
- Tariff elements of promotional activities/new acquisition plans referred to above will only be allowed under the following conditions:
 - Bonuses must comply with the Commission's price floor and price cap. In addition, actual depletion rates on bonuses must not exceed the price cap or fall below the price floor for voice services.
 - The bonus allowances (Voice/Data/SMS) must be stated in naira terms and in minutes /seconds for voice, GB/MB of data and number of SMS.
 - Operators must fully disclose the above in their advertising materials.

4.2 Unbundling of Add-ons from Tariff Plans

- Add-ons are optional services that subscribers can purchase while remaining on their existing tariff plan and/or bundle.
- A free add-on shall be treated as a promotional offering and must be approved by the Commission in accordance with the Guidelines on Promotional Advertisements, 2023. Additionally, in line with the Commission's existing regulatory instruments, service providers must have evidence of informed consent from the subscriber to accept the add-on.

4.3 Number of Tariff Plans, Bundles & Add-ons

- The number of tariff plans offered per operator is limited to seven (7).
- The number of bundles offered per operator is limited to a hundred (100).
- Device financing not counted as part of the number of tariff plans.

- Fixed Broadband/Fibre plans are excluded from the bundle cap/count. However, bundles attached to routers or movable devices are included in the total allowed number of bundles.
- There are no limitations to the number of Add-ons a subscriber can opt-into. However, each operator must have in place a mechanism that informs subscribers of the number of Add-ons they have at the point of purchasing another Add-on.
- Subscribers must be able to check (via USSD string, SMS) the number of Add-ons purchased.

4.4 Disclosure and Transparency

- All advertising materials must make full disclosure of all tariff and other components applicable to the plan in accordance with the provisions of the License Conditions, the Consumer Code of Practice Regulations and the Guidelines on Promotional Advertisement.
- Every Operator is required to publish on its website (in a tab dedicated to tariff information), a table showing characteristics of each tariff plan and bundle it offers. The table must display all information which is necessary to enable the subscriber make a comparison between the offered tariff plan and others, and thereby to make an informed choice. The information should be presented using the template below:

MANDATORY DISCLOSURE TABLE	
Name of Plan	
Description	
Price	
Validity Period	<i>Yearly? Monthly? Weekly? Daily?</i>
Basic Components	
i) Voice	<ul style="list-style-type: none"> • <i>Indicate price per second (and price per minute) on-net</i> • <i>Indicate price per second (and price per minute) off-net</i> • <i>Indicate price per second (and price per minute) for international calls</i>
ii) Data	<ul style="list-style-type: none"> • <i>Indicate price per megabits/ kilobits/ gigabit</i> • <i>Indicate Speed, Fair Usage Policy(FUP) and Throttle Speeds where applicable</i>
iii) SMS	<ul style="list-style-type: none"> • <i>Indicate price per SMS on-net</i> • <i>Indicate price per SMS off-net</i> • <i>Indicate price per international SMS</i>
Other components (if any)	
	<ul style="list-style-type: none"> • <i>Indicate each component and price per unit in the manner set out above</i> • <i>Where a differential “burn rate” applies, indicate clearly the rate chargeable per unit.</i>
Add-ons (if any)	<ul style="list-style-type: none"> • <i>Indicate price per add-on</i> • <i>For each add-on, indicate each component that makes up the add-on and the unit price of each component</i>

Applicable Terms and Conditions (i.e. mandatory disclosures)	e.g. <ul style="list-style-type: none"> • <i>Opt-in and opt-out mechanisms</i> • <i>Renewal mechanisms</i> • <i>Rollover eligibility & conditions</i> • <i>Out of bundle rates if applicable</i> • <i>Fair usage policies, if applicable</i>
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- In addition to the above disclosure table, other tariff communications should be presented in clear language and a user-friendly format in accordance with the provisions of the Commission's Consumer Code of Practice Regulations and other applicable regulatory instruments.
- For the USSD platform, the following information should be included when a subscriber requests details of their tariff plan (*310#):
 - Name of Plan
 - Validity Period (if applicable) Indicate rate per second (and rate per minute) on-net/off-net
 - Indicate rate per megabyte/kilobyte/gigabyte
 - Indicate rate per SMS on-net/off-net
 - The number of Add-ons subscribed to

4.5 Additional Conditions for Tariff Approvals

- Operators must offer standalone data bundles, at fair prices to avoid tying consumers with products they do not need
- Bonuses on promotions must be stated in actual value.
- For all tariff plans, both the Main and Bonus accounts must deplete at rates within stipulated price floors and caps.
- Bundles with shorter validity periods should be prioritized for depletion.
- Options for subscribers who exhaust their bundle allowance within the stipulated validity period should include:
 - Purchase of a top-up bundle
 - Purchase of a new bundle
 - Switch to the default rate of his/her plan
- Any Operator wishing to offer services on third-party platforms (Banking applications, etc.) at discounted rates must obtain and comply with the explicit approval received from the Commission (Hot Deals, personalized/ below-the-line offers, Cashback etc.)
- Existing personalised offers (BTL/CVM) approved by the Commission can remain active for the duration of the validity period of the approval. However, the Commission will continue to monitor the market and make necessary interventions when required.
- Below-the-line/personalised offers, Fixed/Fixed Wireless Services, and Device Financing Propositions must be presented for the Commission's prior approval

pursuant to Section 108 of the NCA 2003 and the Conditions for Tariff Approval published on the Commission's website.

5. Implementation Guidance

5.1 Instructions for Compliance and Submission Procedures:

- i. Operators must submit all tariff plans, bundles, and promotions for approval through the Commission's designated online portal. Submissions must include detailed documentation, such as plan descriptions, pricing, terms, and conditions, in the required formats.
 - ii. The tariff plan applications submitted in (i) above will be processed without any application fees.
 - iii. Subsequent submissions for modification will be charged at the prevailing rate.
- **Contact Points:** Operators can direct their queries regarding tariff approvals, compliance, and reporting to the designated contact points within the Commission.

5.2 Migration Processes and Procedures

- Operators are required to submit detailed migration applications when transitioning subscribers to new plans, ensuring no loss of benefits or service quality for consumers.

5.3 Timelines and Deadlines

- **Compliance Deadlines:** Operators must align their offerings with this Amended Guidance by December 13, 2024.
- **Approval Timeframes:** The Commission will review and respond to submissions in line with the timelines published on the Commission's official website. The Published timelines on the website shall apply where there are any conflicts with any stated or assumed datelines in any instrument, directive or regulatory prescriptions.

5.4 Feedback and Support Mechanisms

- **Regular Updates:** The Commission may hold follow-up webinars or meetings with relevant licensees to discuss the implementation progress, address challenges, and provide feedback.
- **Support Resources:** A dedicated support team within the Commission will be available to assist operators with compliance and provide clarification on this Guidance.

6. Additional Directives

6.1 Subscriber Notification

- Operators must notify subscribers of any changes to their tariff plans, including migration to new plans, at least 30 days in advance.
- Upon full implementation of the Guidance, the subscriber notification period for tariff modification will reduce to 5 days in advance.
- Notifications must be clear, stating the reasons for changes, the benefits of new plans, and any actions required from subscribers.

6.2 Data Transparency and Reporting

- Operators are required to submit quarterly reports to the Commission detailing the number of active tariff plans, bundles, and promotions.
- Reports must include subscriber uptake, usage patterns, and feedback.

6.3 Quality of Service (QoS)

- Compliance with standards and Key Performance Indicators (KPIs) set out in the Quality of Service (QoS) Regulations is mandatory. Any degradation in service quality due to tariff changes or promotions must be addressed immediately.
- Operators must report QoS metrics as part of their quarterly submissions.

6.4 Consumer Education

- Operators must implement consumer education campaigns to inform subscribers about tariff simplification, their rights, and how to make informed choices regarding their plans.
- Educational materials should be made available in multiple formats and languages to ensure broad accessibility.

6.5 Compliance and Enforcement

- The Commission will conduct periodic audits and inspections to ensure compliance with this Guidance.
- Non-compliance will result in penalties, including fines, suspension of tariff approvals, or other regulatory actions as set out in the Act, related regulatory instruments and the subsisting Enforcement Process Regulations.

7. Key Points for Operators

- **Transparency:** Full disclosure of all tariff components and conditions is mandatory. Ensure that all marketing and promotional materials are clear and comprehensible.
- **Consumer Rights:** Prioritize consumer education and transparency in all communications to ensure that subscribers can make informed choices.
- **Migration Plans:** Develop and submit detailed migration plans to transition subscribers smoothly to new tariff plans, without loss of service quality or benefits.
- **Promotional Approvals:** All promotional elements must receive prior approval from the Commission and should be offered as standalone products with clear terms and validity periods.
- **Reporting Obligations:** Submit comprehensive periodical reports detailing all active tariff plans, bundles, promotions, and QoS metrics.

This Amended Guidance replaces the Guidance issued on July 29, 2024 and shall take effect on ***25th Day of November, 2024*** and shall remain valid and binding on licensees until it is either reviewed or amended by the Commission. All actions and activities carried out under this Guidance before this amendment shall subsist and remain valid unless the Commission expressly reverses or reviews such actions or activities.

The Commission reserves the right to review, vary and modify this Guidance from time to time as it may deem fit.

Dated this 25th Day of November, 2024

Dr. Aminu Maida
Executive Vice Chairman
Nigerian Communications Commission.

Appendix 1

Frequently Asked Questions (FAQs)

1. **What are the primary objectives of these tariff simplification Guidance?**
 - The Guidance aims to enhance transparency, ensure consumer understanding, and promote fair competition by simplifying tariff structures and promotional elements.
2. **How should promotional elements be submitted for approval?**
 - Operators must submit detailed proposals of standalone promotions, including their terms, duration, and compliance with the Quality of Service (QoS) Regulations and capacity requirements, for prior approval by the Commission.
3. **What happens if an operator fails to comply with this Guidance by the specified deadlines?**
 - This Guidance is a regulatory directive and non-compliance will lead to penalties, which may include fines, suspension of tariff approvals, or other regulatory actions as provided in the Act, related regulatory instruments and the Enforcement Process Regulations.
4. **Can operators offer more than seven (7) tariff plans if they demonstrate consumer demand?**
 - No, the limit of seven tariff plans per operator is mandatory to reduce complexity and enhance consumer understanding.
5. **Can operators offer more than a hundred (100) bundles if they demonstrate consumer demand?**
 - No, the limit of hundred bundles per operator is mandatory to reduce complexity and enhance consumer understanding.
6. **How will the Commission ensure that operators adhere to the standards and KPIs set in the Quality of Service (QoS) Regulations?**
 - The Commission will conduct regular audits and inspections, and operators must submit periodical reports detailing QoS metrics alongside their tariff and bundle reports.