

AFRICAN TELECOMS CLIENT NEWSLETTER

The African telecoms client newsletter brings you the key regulatory and legal developments in the telecoms sector across Africa.

This issue focuses on the January-March period, which saw Algeria issue a tender for 4G licences; MOOV's network operations suspended in the CAR; MTN withdraw its appeal against its fine in Nigeria; and strong rumours that Vodafone has landed a mobile licence in Zambia.

Northern Africa

Algeria

Launch of Tender for 4G Mobile Broadband Licences

On 7 January 2016, Algeria's telecoms regulator – the Regulatory Authority for Post and Telecommunications (*Autorite de Regulation de la Poste et des Telecoms* – (ARPT) – launched a tender for three 4G mobile broadband licences. Interested parties were able to submit their tenders between 10 and 13 January 2016. The successful bidders will be announced on 17 May 2016.

Morocco

Morocco's Wireless Providers Restrict Calls Made through Free Applications

On 5 January 2016 it was [reported](#) that all three Moroccan wireless providers – Maroc Telecom, Meditel and Inwi – have restricted the use of VoIP (voice over internet protocol) calls made through free applications like WhatsApp, Viber and Skype

when using the companies' 3G and 4G networks. All other services provided by the applications currently continue to operate. Maroc Telecom was previously accused in August 2014 of preventing access to Viber for a month.

Maroc Telecom Publishes Financial Results for 2015

On 15 February 2016, Maroc Telecom [published](#) its financial results for 2015, reporting a 17.1% increase in annual revenue – going from MAD29.144 billion to MAD34.134 billion.

This increase was primarily due to the company's growth in its international operations (6.9% on a like for like basis) rather than its domestic performance, which saw a 0.6% decline in sales in the Moroccan market.

The report also revealed that Maroc Telecom's total subscriber numbers were in excess of 50 million at the end of December 2015.

Tunisia

Regulator Fines Orange Tunisia for Breaching Advertising Rules

On 10 February 2016, the National Telecommunications Authority (*Instance Nationale des Telecommunications*, (INT)) imposed a [fine](#) of TND183, 715 (USD90,657) on Orange Tunisia for breaching rules concerned with the advertisement of tariffs. The fine amounted to 0.05% of Orange Tunisia's turnover.

Orange Tunisia was also ordered to discontinue its "3ajab" plan and cancel all marketing of the tariff, as the telecoms operator had failed to ensure that its prices were publicised in a "transparent, clear and readable" manner.

The INT had previously warned Orange Tunisia in April 2015 and fined it 0.01% of its turnover at that time for breaking advertising rules.

Eastern Africa

Djibouti

eServGlobal and Djibouti Telecom Partner up to Provide Mobile Money Platform

On 22 February 2016, eServGlobal – the provider of end-to-end mobile financial services to emerging markets – [announced](#) that it will be providing Djibouti Telecom with a mobile money platform that will offer mobile wallets to all Djibouti Telecom subscribers. Services will include e-payment, local transfers and international remittance.

China Telecom Group and Djibouti Sign Development Agreement

On 7 December 2015, it was [reported](#) that China Telecom Group had signed a cooperation agreement with Djibouti Telecom.

The agreement will see the China Telecom Group supporting Djibouti Telecom in a number of development projects, such as the modernisation of the latter's network. The agreement concluded two months of talks between the telecoms operators.

Kenya

Kenya to Review OTT, MVNO and Mobile Money in ICT Regulation Review

On 17 March 2016, Joe Mucheru, Cabinet Secretary at the Ministry of Information, Communications and Technology (ICT) [confirmed](#) the Ministry is reviewing the National ICT Sector Policy guidelines to take into account new developments in the industry over the last eight

years. The policy will encompass infrastructure issues, applications and content creation.

Among the areas to be affected are mobile money, cyber security, over-the-top content (OTT) content providers and virtual networks such as Virtual Mobile Network Operators. The Cabinet Secretary encouraged stakeholders to engage and contribute to the policy document and guide the sector to realise the benefits of utilising ICT.

Sudan

Zian Gets 4G Licence

On 18 February 2016, the National Telecommunication Corporation (NTC), awarded Zain Sudan, the country's largest mobile network operator by subscribers, a LTE/4G licence.

Central Africa

Central African Republic

Regulator Suspends the Network of Telecoms Operator MOOV

On 8 December 2015, the Regulator of Telecommunications (ART) [suspended](#) the telephone network of the telecoms operator MOOV. ART justified its actions by stating that MOOV had not complied with the Memorandum of Understanding between itself and the Ministry of Post and Telecommunications, as well as also not paying royalties to the Regulatory Authority for the use of its resources.

Democratic Republic of Congo

Orange Group Acquires Tigo

On 8 February 2016, after achieving regulatory approval, the Orange Group [announced](#) its acquisition of Millicom International Cellular's (MIC) subsidiary Tigo.

MIC has [stated](#) separately that it is selling 100% of its shares in Tigo for USD 160 million. As of September 2015, Tigo DRC is the fourth largest operator in the country by subscriber numbers with a 14.1% share of the market. Orange DRC has 12.7% of the market and is the country's fifth largest telecoms operator.

Republic of Congo

Regulator Publishes Report into Telecoms Activity for 2015

On 11 February 2016, the Telecommunications Regulator for the Republic of Congo (L'ARPC) [published](#) its report into the annual activity of the three telecoms operators active in Congo – MTN, Airtel and Azur.

The report revealed that the three operators had some 4.4 million subscribers by 31 December 2015, generating a total income of 267.1 billion CFA francs. Voice traffic in 2015 was 4.1 billion minutes in both directions (outgoing and incoming) and the total number of SMS was 3.9 billion. Mobile phone market penetration in Congo was found to be 95.7% as of 31 December 2015.

Western Africa

Burkina Faso

Orange Group Acquires Bharti Airtel's Operations in Burkina Faso and Sierra Leone

On 13 January 2016, the Orange Group signed an [agreement](#) with Bharti Airtel to acquire Bharti Airtel's telecoms operations in Burkina Faso and Sierre Leone for 7.9 times Airtel's EBITDA in the two countries at 31 March 2016.

This acquisition will increase the Orange Group's presence in Africa to 20 countries in 2016.

Cameroon

2016 Finance Bill Taxes Mobile Network Operators 2% of Turnover from Phone Calls

On 16 December 2015 it was [reported](#) by *Business in Cameroon* that, from 2016, mobile network operators in Cameroon would pay 2% of their turnover arising from phone calls and internet services to the government.

This tax is part of the 2016 Finance Bill, which was passed by members of the Cameroonian parliament at the end of 2015.

MTN Cameroon Launches 4G LTE in Four Cities

On 21 December 2015, MTN Cameroon [launched](#) 4G LTE services in the cities of Douala, Yaounde, Buea and Bamenda.

This rollout follows on from March 2015, when the mobile operator renewed its licence in Cameroon for XAF75 billion (USD124 million) for another 15 years and received, in turn, permission to provide 3G and 4G services. MTN Cameroon has stated that its goal is to provide high speed mobile data coverage to 75% of the population by 2018.

Telecom Operators owe USD293 million in Unpaid Taxes

On 21 January 2016, Cameroon's anti-corruption commission CONAC [announced](#) that the country's telecoms operators owe the government circa XAF176 billion (USD293 million) in unpaid taxes. In a report published after an investigation into the sector by CONAC, it was claimed that Orange owes XAF48 billion and MTN Cameroon owes nearly XAF52 billion in taxes and royalties.

The companies involved stated in response that they have not been formally notified of CONAC's report or of any fines.

Ghana

NCA Signs MoU with Turkish Communications Regulator

On 1 March, 2016 the National Communications Authority (NCA) [signed](#) a Memorandum of Understanding (MOU) with its counterpart in Turkey, the Information Technologies and Communications Authority (ICTA).

The MOU commits the parties to engage on issues of mutual interest, with the aim of enabling the respective institutions to share knowledge and experience in the field of Information and Communication Technologies.

It is expected that both regulatory authorities stand to benefit and build their capacities in meeting the growing needs of a fast changing industry.

Ivory Coast

4G LTE to be authorised in Ivory Coast in 2016

On 2 December 2015, Bruno Nabagne Kone, the head of the Regulatory Authority for Telecommunications in the Ivory Coast, [announced](#) that the regulator was ready to authorise the formal use of 4G/ LTE technology from the first quarter of 2016.

The statement reported by Agence Ecofin, was made at a media event to launch the latest section of a fibre-optic network.

Mauritania

Mauritel Settles Majority of its Outstanding Tax Bill

On 29 January 2016, the news portal Points Chauds [reported](#) that the fixed and mobile operator Mauritel has paid the Mauritanian government MRO2 billion (USD6 million) as part of a settlement of the majority of its outstanding tax bill.

The other telecoms operators in the country also have tax debts still outstanding - Tunisie Telecom subsidiary Mattel owes MRO3.6 billion and Sudatel's local unit Chinguitel owes MRO3.1 billion.

Nigeria

MTN withdraws appeal in hope of settlement agreement with NCC

On 16 March 2016 MTN Group announced in its [annual report](#) that it had agreed to withdraw its appeal against the regulatory fine of N1,040 trillion, subsequently reduced to N780 billion (equivalent to approximately US\$3,9 billion), imposed by the Nigerian Communications Commission (NCC) on MTN Nigeria.

The fine, imposed in October 2015, was related to the late disconnection of approximately 5.1 million subscribers whose registration documents were considered incomplete. On 24 February 2016, MTN Nigeria made a without prejudice good faith payment of N50 billion (equivalent to approximately US\$250 million) to the Federal Government of Nigeria, on the basis that this will be applied towards a settlement and amicable resolution of this matter.

All eyes will now be on both parties to see if a final compromise settlement can be reached.

Senegal

Regulator Publishes Quarterly Report for the Final Quarter of 2015

On 17 February 2016, the Regulation Authority of Post and Telecoms (*Autorite de Regulation des Telecoms et des Postes*, (ARTP)) [published](#) its quarterly report for the fourth quarter of 2015.

One main finding of the report was the slowing of growth in Senegal's mobile sector, as the market approaches near saturation. Although the number of mobile users in Senegal has increased by 4% from 14.38 million in 2014 to 14.958 million in 2015, quarterly growth figures declined throughout 2015.

In contrast to the slow growth figures in the mobile sector, the fixed line sector saw the total number of broadband connections fall from 103,362 in 2014 to 100,611 in 2015. The number of fixed line telephone customers also fell to

300,219 in 2015 from 311,945 customers the previous year.

Southern Africa

Madagascar

Excise Tax on All Telecoms Services to be Increased to 10%

On 7 January 2016, L'Express de Madagascar [reported](#) that the Madagascan government would be increasing excise tax on all telecoms services to 10%. Previously, mobile calls were taxed at 7%, whilst fixed telephony, internet, SMS and data transfers were exempt.

In response to this news, Orange Madagascar released a [statement](#) on 14 January announcing that it would be increasing its service charges by between 3% and 10% due to the anticipated changes in tax rates.

South Africa

ICASA consults on a Draft Code of Conduct for Premium Rated Services

On 26 January 2016, The Independent Communications Authority of South Africa (ICASA) announced it was consulting on the Draft Regulations on the Code of Conduct for Premium Rated Services (Government Gazette no. 39536 of 17 December 2015) together with the associated Explanatory Document (Government Gazette no. 39535 of 17 December 2015).

Comments are requested by 31 January 2016.

ICASA welcomes Cell C's decision to withdraw its CTR review

On 7th March 2016, ICASA welcomed the announcement by Cell C that it has withdrawn its application to review ICASA's Call Termination Regulations, 2014 (the Regulations).

ICASA welcomed Cell C's decision to withdraw its application as it vindicates ICASA's view that the Regulations were both lawful and procedurally fair.

Tanzania

Airtel agrees sale of towers to ATC

On 21 March 2016, American Tower Corporation (ATC) and Bharti Airtel Limited (Airtel) [announced](#) they had entered into a definitive agreement for the sale of approximately 1,350 of its communications towers in Tanzania.

Under the agreement, ATC may acquire up to approximately 100 additional sites currently in development for an additional consideration. Airtel will be the anchor tenant on the portfolio under a lease with a ten-year initial term.

The sale exercise is part of Airtel's strategy to sell all of its 15,000 towers in Africa and use the proceeds to cut back debt close to \$12 billion at the end of December.

Zambia

Vodafone rumoured to have landed Zambia mobile licence

On 15 March 2016, *ITWeb Africa* [reported](#) that Vodafone has allegedly been awarded a licence to

operate the fourth mobile phone network in the country. ITWeb noted that both Vodafone and country's telecoms regulator, Zambia Information and Communication Technology Authority (ZICTA), declined to comment on the rumour.

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