

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 December 2016 – February 2017 period, which saw Algeria pass a new telecoms law, Orange see its licence renewed in Madagascar, and MTN signal a possible delay until 2018 for its stock market listing.

Northern Africa

Algeria

Algeria passes new telecoms law

On 3 January 2017, the Algerian government reportedly passed the Code of Posts and Electronic Communications, a new telecommunications bill. The legislation requires Algerie Telecom, the incumbent operator, to open its unbundled local loops to alternative operators. Additionally, the legislation grants additional powers to Algerie Telecom to monitor international phone calls. A new Radio Frequency Management Agency will be established to monitor communications.

Morocco

Maroc Telecom referred to ANRT for blocking LLU

In January 2017, [Telegeography reported](#) that Inwi, a Moroccan operator, made a formal complaint to the ANRT regarding the failure of IAM, incumbent fixed line operator to comply with national local loop

unbundling ("LLU") regulations. ANRT has previously ordered IAM to open up its fixed line network to alternative operators willing to provide LLU services.

Tunisia

Tunisian government to sell telecom stakes

The government of Tunisia is planning to sell its 10% and 51% stakes in Ooredoo Tunisia and Orange Tunisie, respectively.

The share sale will take place during 2017, either by way of tender or a stock market sale.

Eastern Africa

Kenya

Safaricom pays for 4G licence

Safaricom has paid a fee of US\$25 million for a licence to provide 4G services across the country. Safaricom had already launched limited LTE-Advanced ("LTE-A") trial networks in some of the country's major cities. According to a report in Business Daily citing a statement from Juma Kandie, Director of

Human Resources Communications Authority of Kenya, the country's other two wireless network operators, Airtel Kenya and Telkom Kenya, are likely to take up their 4G licences later in 2017 following completion of their 4G/LTE-A trials. All these operators agreed to pay the US\$25 million fee last summer.

Uganda

UTL and Airtel settle long-running interconnection dispute

On 8 February 2017, Uganda Telecom (UTL) and Airtel Uganda announced they had resolved their interconnection issues arising out of unpaid interconnection fees and leased line services offered to UTL by Airtel. The dispute which had run for two years, came to a head in January when Airtel issued a statement revealing that the agreement had been terminated. It was then reported by CNBC Africa that UTL and Airtel had subsequently resolved the dispute and agreed on a new payment schedule, with both parties reporting that all issues relating to contractual obligations had been satisfied, and

that UTL said it would be "business as usual".

Western Africa

Cameroon

Orange Group partners with Intelsat to provide 3G services in Cameroon

On 7 December 2016, Intelsat [announced](#) that the Orange Group had renewed an agreement for satellite solutions and support to bring 3G services to existing customers of Orange Cameroon as well as to expand the network's reach to remote regions of the country. Orange already provides 2G services using satellite infrastructure provided by Intelsat. Under the new agreement, the Orange network will expand its geographic footprint and add a 3G offering by leveraging C-band solutions from the Intelsat 22 satellite at 72.1 East.

Ivory Coast

Orange Côte d'Ivoire merges with CI-Telecom

In December 2016, Orange Côte d'Ivoire announced the completion of its merger with Côte d'Ivoire Telecom ("CI-Telecom"), the incumbent fixed line operator. The resulting entity, offering fixed line and mobile services, will operate under the Orange brand. Orange Group holds a 69% stake in the merged entity and the Côte d'Ivoire government holds 31% of the shares.

Mauritania

Regulator fines operators for SIM card registration failures

The Autorite de Regulation ("ARE") has fined mobile operators Mauritel, Mattel and Chinguitel a combined MRO417.2 million (USD1.14 million) for their collective failure to register SIM cards that are active on their networks. According to Africa & Middle East Telecom-Week, the regulator cited "breaches of commitments" as the reason for the fines.

Nigeria

MTN listing could be delayed to 2018

MTN's plans to list MTN Nigeria may be delayed by MTN Group until 2018 to allow resolution of a regulatory dispute. According to a report by Bloomberg, MTN Chairman and Acting Chief Executive Officer Phuthuma Nhleko stated "It's a work in progress and hopefully within the 12-to-18 month period we will be able to do it." In July 2016 and Standard Bank to advise on the MTN appointed Citigroup listing.

Togo

Togo government moves to phase two of merger between Togo Telecom and Togocel

The Togolese council of ministers has [confirmed](#) its intention to move to the second phase of the reorganisation of Togo Telecom and Togocel, two state-owned mobile network operators. According to a report by Agence Ecofin the aim is

to merge the two companies into a single entity with two distinct units specialising in investment and maintenance of network facilities, the other in the provision of reasonably priced fixed line and mobile services to residential and business users.

Southern Africa

Madagascar

Orange licence renewed

The Agency for Regulation of Technology and Communication ("ARTEC") has announced its [decision](#) to renew and extend the operating licence of Orange Madagascar. As part of the renewal, the licence has been extended to technological developments (4G) as well as to radio data transfer and resale of international capacity services. The renewal agreement was signed on 23 November 2016, and the new licence will last for ten years. The country's other two mobile operators, Bharti Airtel (formerly Zain) and Telma, have also signed agreements to extend their licences.

South Africa

ICASA is reviewing pro-competitive conditions imposed on licensees in respect of the Call Termination Regulations of 2014

On 30 January 2017, the Independent Communications Authority of South Africa ("ICASA") [invited](#) interested stakeholders to participate in a process to review pro-competitive conditions imposed on licensees in respect of the Call

Termination Regulations of 2014. The review focused on the terms of section 67(8)(a) of the Electronic Communications Act No. 36 of 2005 read with regulation 8 of the Regulations which states that:

“(a) Where the Authority undertakes a review of the pro-competitive conditions imposed upon one or more licensees under this subsection, the Authority must:
(i) review the market determinations made on the basis of earlier analysis;
(ii) decide whether to modify the pro-competitive conditions set by reference to a market determination”.

Stakeholders were requested to complete a questionnaire by 28 February 2017.

Tanzania

Regulator reports operators for failure to list 25% of shares as required by finance law

The Tanzania Communications Regulatory Authority ("TCRA") has forwarded a list of telecoms companies that were supposed to float their shares on the Dar es Salaam Stock Exchange ("DSE"), in compliance with the Finance Act, 2016 which amended Section 26 of the Electronic and Postal Communications Act, 2010 ("Epoca").

The Finance Act states that companies incorporated in Tanzania to provide telecommunication services are required to float at least 25% of their shares through an initial public offering and subsequently list on the DSE. So far only Vodacom Tanzania, Tigo and Airtel Tanzania

have submitted their prospectuses to the Capital Markets and Securities Authority ("CMSA") as a prelude to listing on the DSE. The TCRA stated that the CMSA has therefore yet to receive applications from 86 companies.

Zimbabwe

POTRAZ abandons tariff hike and calls out MNOs for double standards

On 16 January 2017, Zimbabwe's telecoms regulator, POTRAZ, [issued](#) a statement regarding its decision to withdraw Regulatory Determination No 1 of 2016, which was only issued by the Authority just weeks before on 7 December 2016. The determination set new tariff levels for voice and data bundled services and promotions. POTRAZ said that following a consumer outcry it had decided to abandon to regulatory change. The statement also attacked "some Mobile Network Operators" for claiming they were against the new higher tariffs, claiming they had argued for even higher tariff levels in conversations with POTRAZ.

Econet gets EGM approval for rights issue

Econet Wireless is to proceed with a USD130 million rights issue. The company called an Emergency General Meeting to vote the move through. In an [update](#) on 28 February, Econet confirmed that to enable local participation in the Econet Wireless Zimbabwe Limited rights offer it had made arrangements with the Reserve

Bank of Zimbabwe to allow shareholders inside Zimbabwe to make payments for the rights issue directly into a local Steward Bank account.

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