



‘creating a level playing field’

VALUE ADDED SERVICES (VASs) FRAMEWORK

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CHAPTER	SUBJECT	PAGE
1.	INTRODUCTION	3
2	DEFINITIONS	3
3	LICENSING/ AUTHORISATION	4
4.	PROVISION OF ACCESS	5
5.	OBLIGATIONS OF AGGREGATORS	6
6.	OBLIGATIONS OF NETWORK SERVICE PROVIDERS	6
7.	SHORT CODE ALLOCATION	7
8.	COMPETITION/MARKET RULES	8
9.	VASs ACTIVATION and DE-ACTIVATION	9
10.	CONSUMER ISSUES	10
11.	REVENUE SHARING	13
12	CODE OF CONDUCT FOR VALUE ADDED SERVICES	14

1. INTRODUCTION

1.1 Over the years, complaints have been raised by various players over anti-competitive practices in the Value Added Services (VASs) market. In line with the mandate to ‘maintain and promote effective competition between persons engaged in the provision of postal and telecommunication services and any activities connected therewith’, POTRAZ has come up with a framework for VASs in consultation with various stakeholders.

1.2 The VASs framework is aimed at benefiting consumers through the promotion of entrepreneurship, innovation and competition in the telecommunications market. The implementation of these guidelines shall be spread over a period of six (6) months to ensure seamless transition. The ‘Industry Code of Practice’ to be developed by the Industry working group on VASs shall form an addendum to the framework. In view of the dynamic technological changes, the Authority will constantly monitor the market and address new issues as they arise

2. DEFINITIONS

“**Aggregator**” means an entity that provides intergration between telecommunication Network Service Providers and third parties in the provision of Value Added/application services.

“**Application service provider**” means a vendor that provides individuals and entities with software applications over a telecommunications network

“**Content Service Provider**” means a licensee authorised by the Authority to transport and provide electronic content through telecommunications network infrastructure;

“**Network**” means the infrastructure deployed by an operator which provides services to its subscribers

“Network Service Providers” means an operator licensed by the Authority to provide networks services

“Network Facility Provider” means a licensee authorised by the Authority to build telecommunications network infrastructure systems and to provide telecommunications network infrastructure services

“Number” is a string of decimal digits that unambiguously identifies an end user in a given context

“Numbering Resource (s)” in this document refer to Short Code (s) and Premium Rate Number(s)

“Numbering Administration” is the process of validation, processing, assignment, reservation and reclamation performed by those entrusted with the numbering resource in the public interest;

“Numbering Plan” in this document means the method put in place for the management and administering numbering resources structured in a standard format to provide a unique telephone addresses or identities to a user-network interface, services or end user;

“Subscriber” means the legal holder, whether an individual or organization, of a service account and is not necessarily the user of the service.

“Value added services” (VASs) refer to improved or enhanced versions of standard and basic core network services provided over telecommunication networks that include voice calls and all forms of data transmission including fax, short message services SMSs and Multi- media services (MMSs) normally accessed at extra costs than the basic services.

“Value Added Service Providers” (VASP) means a persons or entities that provide improved or enhanced versions of standard and basic core network services provided over telecommunication networks that include voice calls and all forms of data transmission including fax, short message services SMSs and Multi- media services (MMSs) normally accessed at extra costs than the basic services.

3 LICENSING/AUTHORISATION

- 3.1 Aggregators, content and application providers shall be registered with POTRAZ.
- 3.2 There shall be no limit to the number of industry players. The number of active participants shall be left to market forces.
- 3.3 VASPs shall be licensed or registered, depending on their size and scope of operations in line with the Licensing regulations in place.
- 3.4 Applications for the provision of Value Added Services shall be lodged with the Authority for approval. The applications shall include the customer terms and conditions, duration of VASs and applicable tariffs.

4. PROVISION OF ACCESS

- 4.1 The open access model shall be adopted in Zimbabwe wherever possible; non-feasibility should be justified to the Regulator, on a case by case basis
- 4.2 Each segment of the VASs value chain needs to interface with adjacent segments for bi-directional exchange of information. The provision of access is necessary in order to provide an end-to-end service to the subscriber. The following are the guiding principles for open access:
 - 4.2.1 Network Service providers shall be obliged to interconnect with Licensed/registered aggregators upon request and where it is technically feasible.
 - 4.2.2 Aggregators may have direct physical connection to local Network Service Providers.
 - 4.2.3 Content and application providers shall have access to aggregators transmission facilities.
 - 4.2.4 Third party VASPs shall not be required to submit full business plans upon application.
 - 4.2.5 Standardised application forms with minimum requirements, as developed by the industry working group and approved by the Authority shall be applied.

- 4.2.6 Denial of access is prohibited as long as the basic requirements are met and where applicable, it must be justified to the Authority.
- 4.2.7 All market players granting access or exchanging access with other licensees must sign an agreement that clearly sets out the conditions for access.
- 4.2.8 All concluded access agreements shall be submitted to the Authority for filing.
- 4.2.9 Any market player whose request for access is denied or delayed for more than forty-five (45) days has the right to appeal to the Authority for intervention.

5. OBLIGATIONS OF AGGREGATORS

- 5.1 The aggregator's primary service shall be to aggregate VASs payload from various content or application service providers and to distribute such to any network service provider as may be requested by the access partner.
- 5.2 Aggregators shall connect to Network Service Providers through at least two independent transmission links or two independent data-center cloud facilities to ensure resilience and reliability.
- 5.3 Aggregators shall not perform any deep packet inspection or data-level processing when delivering content to Network Service Providers and end-users.
- 5.4 Aggregators shall take all necessary to ensure 99% service availability.

6. OBLIGATIONS OF NETWORK SERVICE PROVIDERS (NSPs)

- 6.1.1 Network Service Providers shall assess and respond to requests for access/ connection within fourteen (14) working days.
- 6.1.2 Network Service Providers and aggregators shall not illegally route traffic to and from unauthorised numbers or deliver content to such numbers.
- 6.1.3 Network Service Providers shall ensure strict adherence to maintaining Quality of Service (QoS) in line with Quality of Service Regulations.

- 6.1.4 Network service providers are obliged to provide fair access to their network infrastructure to independent content providers and maintain transparency in their Management Information Systems (MIS) relating to value added services for reconciliation.
- 6.1.5 Facilitate reconciliation of their Management Information System (MIS) and calibration with that of their respective Value Added Service Providers (VASPs).
- 6.1.6 Where applicable, Network Service Providers shall allow content providers to form part of the mutual negotiations between themselves and VASPs.

OBLIGATIONS OF THE REGULATOR

- 6.2. On its part, the regulator shall monitor the provision of VASs by:
 - 6.2.1 Ensuring operators' compliance with quality of service standards.
 - 6.2.2 Empowering consumers through raising awareness on the usefulness of Value Added Services and their usage.
 - 6.2.3 Educating consumers on their rights and responsibilities on the use of VASs.
 - 6.2.4 Raising awareness on the need for Copyright Protection on the part of content producers.

7. SHORT CODE ALLOCATION

- 7.1 POTRAZ being the National Numbering Plan administrator will continue to allocate short codes for the provision of Value Added Services as before.
- 7.2 The new short code procedure shall be as follows:
 - 7.2.1 Content provider/aggregator/VASP applies to Network Service Provider for provision of access indicating the nature and scope of service, a copy of which shall be simultaneously filed with the Authority.
 - 7.2.2 Any Network Service Provider wishing to offer a VASs on their network, shall submit notification to offer the VASs to the Authority in writing, indicating the commencement date, nature, scope as well as terms and conditions for the service.

7.2.3 Network Service Providers shall respond in writing to the request by the VASP, copying the Authority. In the case of rejection, the reason for rejection should be stated and justified; a file copy of the response should be simultaneously submitted to the Authority.

7.2.4 In the event that the justification for denial of access is not upheld by the Authority, the operator shall be directed to provide access as requested by the VASP.

7.2.5 Where provision of access is agreed, the Authority shall assign the short code for the service based on availability and on a first come first served basis.

7.2.6 A file copy of the short code assignment by the Authority shall be simultaneously provided to the VASP and Network Service Provider.

7.2.7 The Authority shall allocate shortcodes within twenty eight (28) days from date of receipt of a favourable application.

7.2.8 Disputes/complaints regarding access to short codes and provision of VASs shall be directed to the Authority.

8. COMPETITION AND MARKET RULES

8.1 CHARGING MODELS

8.1.1 The following charging models shall apply for the provision of VASs:

- a) **Subscription-based charge:** a fixed amount is paid to cover a period of time. The frequency at which the subscriber receives the information or alert shall be clearly stated.
- b) **Pay per Access:** The user pays a fixed amount each time he is given access by the VASP for each download. This is usually a pull service in which the subscriber initiates a request for service.
- c) **Time-Based Charging:** service charges paid by the subscriber are calculated based on time spent using the application on line e.g. on-line games, chatting etc. This is in addition to the air-time or data cost paid to the Network Service Provider for the duration of the on-line access.

- 8.1.2 The Charging model shall be any of the above, but not a combination of the two or more of the charging models per subscriber at any given point.
- 8.1.3 No monthly or annual fixed charges for bearer, channel or access cost shall be imposed on any access partner in addition to usage-based charges.
- 8.1.4 If the aggregator collects VAS charges from the user directly via any other method other than the subscriber's airtime credit, it must settle the Network Service Provider or other access partners within the agreed time frame failing which the partner owed shall be entitled to interest charges.
- 8.1.5 The following categories of messages shall not be classified as premium;
- i. any Help SMS; or
 - ii. messages requesting for information; or
 - iii. messages requesting termination of a service.

Network Service Operators shall not charge End Users for these messages.

9 CONDITIONS FOR VASs ACTIVATION AND DE-ACTIVATION

- 9.1 A request for hosting must be granted if the developer satisfies the following conditions:
- a) If the developer provides guarantee against infringement of third-party copyright, patents and intellectual property rights.
 - b) If the VASs content is permissible under the relevant Zimbabwean Laws that may then be in force.
- 9.2 A Network Service Provider is allowed to de-activate a VASs being hosted if any of the conditions below is satisfied:
- a) If the developer so requests or if there is mutual agreement between the two parties.
 - b) If the VASs does not generate any revenue for three months continuously.
 - c) If the revenue generated does not cover the cost of hosting for a period of six (6) months.

- d) If it is discovered that the developer has obtained access through false information or via a fraudulent process.
- e) If there is a proven case of third –party intellectual property rights, copyrights or patent violation that is not resolved within ninety (90) days.
- f) If the VASs is found to contain errors or bugs and the VASP fails to make necessary correction within fourteen (14) days of a written notice being given.

9.3 Where a request for access is denied or there is illegal de-activation of an already hosted VAS, the aggrieved party has the right to appeal to the Authority.

10. CONSUMER ISSUES

10.1 SUBSCRIBER CONSENT

10.1.1 No Value Added Service shall be offered to a subscriber without their consent. Automatic registrations are not allowed.

10.1.2 All Value Added Service Providers shall implement common de-activation procedure. Deactivation shall be at no cost to the subscriber. The request for de-activation shall be executed within 4 hours from receipt of request.

10.1.3 The Value Added Service Provider shall intimate the de-activation procedure to the subscribers through website and SMS blasts as well as through advertisement in national newspapers and other media. Any change shall also be intimated in similar manner.

10.1.4 Automatic renewal shall not be implemented without informing the subscribers through SMS or other means, 24 hours before service activation.

10.1.5 In case of wrong activation, the amount shall be refunded within 24 hours of the customer's request.

10.1.6 Value Added Service Providers shall submit quarterly reports on activations, de-activations and complaints received along with the redressal report to the Authority as and when required.

10.2 QUALITY OF SERVICE (QoS)

10.2.1 Each Service Provider in the VASs value chain is responsible for the quality of service in its own segment of the network.

10.2.2 Value added Service Providers must ensure that they give the highest level of service to the consumer and that consumers:

- a) have sufficient information to enable them make informed decisions.
- b) have a convenient, fair and efficient means of resolving complaints arising in respect of content services using the availability of an independent complaints handling mechanism.
- c) are sufficiently informed of the nature, prices, terms and conditions of using the service at the time of sale, in advertising and while using the services.
- d) can distinguish content considered suitable only for adults or which should not be made available to children.
- e) can readily access the unsubscribe mechanism for each content service, to discontinue a service and avoid incurring further charges, without undue delay.

10.2.3 Where a refund is considered, the Service Provider shall make the refund via the same medium or mode through which the amount was received.

10.2.4 No service shall be promoted as being “free” if it is obtainable only by the use of premium rate service involving a charge to the consumer.

10.2.5 All subscription terms and billing intervals must be specified and there shall be no hidden charges, any associated charges for services rendered shall be disclosed.

10.2.6 The terms and conditions of service must outline the refund arrangements where the competition mechanism or voting conditions changes prior to entry.

10.2.7 The Network Service Provider shall submit a Service Level Agreement or any other agreement entered with with the VASP/Content Provider to the Authority.

10.2.8 The network provider shall maintain a customer support service where complaints would be addressed within a reasonable time frame.

10.2.10 The Authority will continue to monitor and regulate Quality of Service and will take necessary steps to ensure the same from time to time.

10.3 UNDELIVERED VASs

10.3.1 Where the VASs payload is successfully handed over to the Network Service Provider, and it is unable to deliver it to the subscriber, the Network Service Provider must not charge the subscriber any transport cost.

10.3.2 The content and application provider must not charge the subscriber for VASs until there is a confirmation that the VASs payload has been successfully delivered to the subscriber.

10.3.3 In all circumstances the subscriber must not be charged for a service that was not rendered/delivered.

10.3.4 In the event that a subscriber is charged for an undelivered VASs, the amount shall be refunded within 24 hours of the customer's request.

10.4 ADVERTISING AND PROMOTIONS

10.4.1 All advertisements must clearly state and indicate:

- a) whether a service is subscription-based or not;
- b) terms and conditions of programme; and
- c) service pricing information.

10.4.2 All terms and conditions including pricing information must be clearly spelt out and conspicuously displayed.

10.4.3 Raising awareness and literacy on the nuances, terms and conditions of the various value added services on offer as well as handset/ terminal devices which facilitate easy access and display/ storage of VASs content.

10.4.4 All advertising promotional materials, and service help message shall clearly display the consumers right to “opt in” or “opt out” of any promotion, programme or service, whether subscription based or otherwise.

10.4.5 The Network Service Provider shall put in place safeguard measures to ensure all adverts on the network comply with government laws and regulations on the content of advert messages.

11. REVENUE SHARING

11.1 REVENUE SHARING PRINCIPLES

11.1.1 Revenue sharing arrangement/agreements and related charges shall be cost based, fair and non-discriminatory.

11.1.2 In cases where a dispute arises, such cases shall be referred to the Authority for resolution.

11.1.3 The Access Providers shall publish the bulk charges (bulk rates of SMS, IVR, IN Access, USSD, API, physical E1, etc.) for VASP for accessing/ using its infrastructure. Other than these fees mentioned, no other fees or charges would be applicable.

11.1.4 In case of revenue sharing model, Value Added Service Providers shall have the revenue sharing percentile approved by the Authority.

11.1.5 The VASP entering into agreement with any other Entity (Access Providers/ Solution Providers/ Platform Providers) shall follow the approved minimum bulk rates or revenue sharing model.

11.1.6 Services involving financial transactions, air-time bill collections or remittance through mobile telecommunication devices must comply with the rules and regulations of Reserve Bank of Zimbabwe and any other relevant authorities.

11.1.7 The VASP shall seek prior approval for tariffs as per the provisions of the Postal & Telecommunication Act, 2001. All approved tariffs shall be published on the VASP's website.

11.1.8 Each access agreement between stakeholders should include time limit for settlement of revenue accruable to each party and interest payable where there is a breach.

11.1.9 The Authority expects all parties to fulfil their payment obligations without delay.

12 INDUSTRY CODE OF PRACTICE

With the guidance of the Authority, the industry may develop a Code of Practice (CoP) on the utilization of Short Codes, Premium Rate Numbers and other numbers for the provision of premium rate services, to be adhered to by all players. The industry Code may cover areas including but not limited to advertisements, promotions, pricing, competition, treatment of content, consumer protection including protection of minors and other vulnerable groups, to supplement the provisions in these Procedures and Guidelines.