

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 April-June period, which saw the Algerian government announce a restructuring of Algérie Télécom and the Tunisian government announce an IPO for a 65% stake in Tunisie telecom. Safaricom, Airtel Kenya and Orange Kenya all win 4G licences in Kenya; and the Nigerian government and MTN finally reach an agreement of the fine MTN should pay for failure to disconnect over five million unregistered SIM cards.

Northern Africa

Algeria

Algérie Télécom to undergo restructuring process

On 1 May 2016, Al Huffington Post Maghreb [reported](#) that Algeria's Minister of Post and Information and Communication Technology, Imane Houda Feraoun, has announced the restructuring of the state-owned Algérie Télécom (AT).

The restructuring programme is intended to review the business strategy and operations of AT, to ensure that it is 'in tune with technological and technical developments globally'.

Feraoun also expressed the possibility of an IPO to 'boost efficiency'.

ARPT awards 4G concessions to all applicants

On 23 May 2016, ARPT [announced](#) that it has awarded 4G concessions to three domestic operators – Algeria Telecom Mobile (ATM), Optimum Telecom Algeria (OTA) and Ooredoo Algeria (WTA).

Interested parties were invited to submit their bids by 11 April 2016 and ultimately all three bids were accepted by ARPT, with ATM ranked first, followed by WTA and OTA coming in third place. ARPT will now award provisional LTE licences to the three successful bidders.

Chad

O3b Networks and Presta Bist showcase 'Fiber from the Sky' platform

On 19 May 2016, O3b Networks [held](#) a live demonstration in partnership with Presta Bist Telecoms, the Chadian ISP and Pay TV operator, to showcase its 'Fiber from the Sky' platform. The 'Demo Day' tested file upload and download speeds, interactive maps, link speed and web page loading, with O3b claiming that its services were '5x the speed and clarity of a traditional geostationary satellite service and comparable to a fiber connection'. Commenting on the platform, Moussa Radjab, CEO of Presta Bist said that 'it gives us pride to be able to say Presta Bist has enabled Chad to be the first country in the Sahel region to deploy and make concrete this revolutionary technology'.

Morocco

Meditel to invest in fibre optic services for the corporate sector

On 5 April 2016, Challenge Ma [reported](#) that the Moroccan telecoms provider Meditel, in partnership with the Orange Group, is to invest MAD3.2 billion (borrowed in December 2015) in improvements to fibre optic services for the corporate sector.

According to Meditel management, the operator has already installed fibre optic services in 10 cities across Morocco, to be able to offer fibre optic services to large corporates.

ANRT taken to court for blocking VoIP services

On 18 April 2016, Morocco World News [reported](#) that a lawsuit has been filed against the Moroccan telecommunications regulator, the Agence Nationale de la Recherche et de la Technologie (ANRT) for blocking VoIP services such as Skype, Viber and Whatsapp.

The first hearing was scheduled for 21 April 2016 and the lawsuit was filed by an unidentified plaintiff in March.

ANRT defended its decision, arguing that the foreign entities controlling the blocked services did not have the necessary licences to operate in Morocco, and therefore were depriving domestic phone companies of potential revenue streams. However, the country's third largest telecom company – Inwi – withdrew its sponsorship of the Maroc Web Awards in protest following ANRT's statement, saying that it does not financially benefit from the blockage at all.

Maroc Telecom sees 10.25% increase in revenues in 1Q16

On 25 April 2016, Maroc Telecom Group [published](#) its financial results for the first quarter of 2016, boasting a 10.2% growth in the group's turnover. The results were in large part driven by international growth, in particular revenues from the new African subsidiaries, with a 12.7% increase in sales and 11.2% increase in EBITDA.

Maroc Telecom rolls out FTTH service across all major cities

On 23 June 2016, Maroc Telecom [announced](#) that its Fiber To The Home (FTTH) service is now available in all major cities in Morocco. The service was piloted in Casablanca and Rabat, before being extended to other major cities. The service offers two connection speeds: 50Mbps and 100Mbps.

Tunisia

4G LTE services launched in Tunisia

On 31 March 2016, Agence Ecofin [reported](#) that as of 30 March 2016, Tunisie Telecom, Tunisia Ooredoo and Orange have all received 4G

spectrum licences and have started marketing their 4G LTE services.

Tunisie Telecom to accelerate rollout of fibre optic services

On 13 May 2016, Agence Ecofin [reported](#) that the CEO of Tunisie Telecom, Nizar Bouguila, has announced that they will accelerate the deployment of fibre optic broadband.

In particular, Tunisie Telecom is targeting new housing estates and apartments currently under construction, which will help the company to meet its obligations under the agreement signed in 2015 with the National Federation of Property Developers, which provides for the 'exclusive installation of fibre optics in all new housing estates and buildings'.

Tunisian government to list Tunisie Telecom

On 30 May 2016, the Tunisian Minister of Information Technology and Communications [announced](#) that the government will float part of its 65% stake in Tunisie Telecom on the Tunisian stock exchange. The funds from the IPO will be put towards both domestic development plans, and international expansion, as the mobile operator is currently trying to acquire Malais GO.

Eastern Africa

Kenya

CA Consults on Draft Kenya Information and Communications Regulations

On 1 May 2016, Communications Authority of Kenya (CAK) issued a [consultation](#) on revised versions of six draft communications sector

regulations: Electronic Certification and Domain Names Administration Regulations 2016; Cyber-security Regulations 2016; Universal Access and Service Regulations 2016; Broadcasting Regulations 2016; Infrastructure-sharing Regulations 2016; and the Electronic-Transactions Regulations 2016. The regulations are needed following the amendments to the Constitution in 2010 and the Kenya Information and Communications Act in 2013.

Mobile operators to pay Sh2.5bn each for 4G licences

On 26 June 2016, the Business Daily reported that CAK has said that it will start issuing 4G licences in July. Safaricom, Airtel Kenya and Orange Kenya are to pay KES 2.5 billion (USD 24.3million) each for the licences. The three operators will also be required to share at least 30% of the 4G spectrum with MVNOs and tier-two infrastructure providers such as Liquid Telecom, Jamii and Wananchi.

Safaricom and Kenya Power sign MoU for broadband roll out

On 11 April 2016, Safaricom and state-owned utility firm Kenya Power [announced](#) that they entered a partnership that will allow Safaricom to lease additional broadband infrastructure built and owned by Kenya Power in order to roll out a 'last mile' network, with the aim of connecting more homes to its broadband internet services. The Memorandum of Understanding (MoU) sets out the conditions for the two firms to collaborate to implement the pilot fibre optic project aimed at providing internet services to homes via Kenya's Power's electricity distribution network.

The Seychelles

Syniverse to provide LTE roaming for Cable & Wireless Seychelles

On May 10 2016, US firm Syniverse [announced](#) that they have signed an agreement with Cable & Wireless Seychelles to offer global LTE reach to both inbound and outbound roaming subscribers. Commenting on the agreement, Roaming Marketing Manager for Cable & Wireless Seychelles, Jack Maher, said 'our relationship with Syniverse ensures that we fulfil our consumers' expectations for global LTE services whilst also providing travellers from all over the world with a smooth and reliable mobile broadband experience in Seychelles on Cable & Wireless, Africa's first LTE-Advanced network'.

Roaming revenues from tourists in the Seychelles are an important source of revenues for the domestic operators in the Seychelles, with 276,000 tourists in 2015, a figure which is nearly three times the number of citizens.

Seychelles' government imposes conditions on the acquisition of Cable & Wireless

On June 2016, the Seychelles News Agency [reported](#) that the Seychelles' government will impose conditions on the acquisition of Cable & Wireless by Liberty Global in order to protect local customers. The sale of Cable & Wireless Communication was confirmed in mid-May and valued at \$7.4 billion.

The conditions include commitments to maintain investment levels in infrastructure and to make 30% of Cable & Wireless Seychelles shares available to local investors on the Seychelles' Stock Exchange.

Minister of Finance, Trade and Blue Economy, Jean-Paul Adam, said 'the government feels that local customers should be protected, and that is why we have set out these conditions, although the acquisition is a fait accompli'.

Cable & Wireless Seychelles appoints TEOCO to optimise performance of 2G, 3G and LTE-A mobile networks

On 14 June 2016, TEOCO [announced](#) that Cable & Wireless Seychelles has selected TEOCO's ASSET network planning tool to optimise the performance of its 2G, 3G and LTE-A mobile networks. The TEOCO ASSET tool is a radio network planning software tool which can 'boost the capacity and coverage of their mobile networks, and also improve cell positioning and parameter planning'.

Central Africa

Democratic Republic of Congo

Orange Group completes the acquisition of mobile operator Tigo

On 21 April 2016, the Orange Group [announced](#) that it has completed the acquisition of 100% of the shares in the mobile operator Tigo, less than three months after signing the initial agreement. Tigo is a subsidiary of Millicom International Cellular. The mobile market in the Democratic Republic of Congo (DRC) is still relatively undeveloped with only 50% of the population using a mobile phone.

Commenting on the development, Deputy CEO, Bruno Mettling, said 'we are pleased to announce the

completion of the acquisition of Orange by Tigo DRC in a market with a strong growth potential. With this strategic investment, Orange confirms its commitment to strengthening its presence in the DRC and to accelerating the development of services via this consolidation'.

Western Africa

Burkina Faso

Orange Group completes acquisition of Airtel

On 22 June 2016 the Orange Group [announced](#) the completion of its acquisition of 100% of the shares of Bharti Airtel International's telecoms operations in Burkina Faso – Airtel – after receiving regulatory clearance. Following this acquisition, the Orange Group have a presence in 20 countries in Africa and the Middle East.

Commenting on the acquisition, Deputy CEO of the Orange Group, Bruno Mettling said 'this new acquisition will strengthen the strategic position of the Group on the African continent'.

Cameroon

MNP to be introduced in Cameroon by November 2016

On 21 April 2016, the news agency Business in Cameroon [reported](#) that the Chinese firm Huawei signed an agreement with Cameroon's mobile networks on 19 April 2016 to implement mobile number portability services (MNP) in Cameroon.

Huawei was initially awarded a contract for the supply, installation and operation of a centralised database to supervise the introduction of MNP by

Cameroon's telecommunications regulator, Agence de Regulation des Telecommunications (ART) in July 2015. The service will be launched over an initial period of seven months and should be fully operational by November 2016.

Ghana

NCA consults on QoS Regs 2016

On 10 June, the National Communications Authority (NCA) [launched](#) a consultation on the draft Quality of Service Regulations, 2016. The purpose of these Regulations is to create conditions for customer satisfaction, measure the quality of service provided by the service providers, and protect the interests of consumers of Electronic communications services.

Comments are requested by 31 August, 2016.

Ivory Coast

ARTCI revokes licences for four local operators

On 1 April 2016 the Autorité de Régulation des Télécom-munications de CI (ARTCI), the telecommunications regulatory authority for the Côte d'Ivoire, [revoked](#) the licences of four operators: (i) GreenN; (ii) Comium Côte d'Ivoire; (iii) Niamoutie Telecom (formerly Cafe Mobile), which has now ceased to operate; and (iv) Warid, which was awarded a licence but was never launched. The operators were given until 2 May 2016 to deactivate their networks.

Bouygues to carry out third phase of NBN construction

On 20 April 2016, the news agency Abidjan.net [reported](#) that the Ivorian

government has launched the third phase of the construction of a national broadband network (NBN). The NBN will encompass a total length of 7000km of fibre optic infrastructure spanning the entire country.

The first two phases were partially funded and carried out by Huawei Technologies and included c.2000km of fibre optic cables. The French operator Bouygues will carry out the next phase of c.5000km of fibre optic cables with an expected completion date sometime in 2017.

Orange Group and Ivorian government sign MoU to merge mobile and fixed-line entities

Orange Group and the Côte d'Ivoire government [signed](#) a memorandum of understanding (MoU) on 28 April in relation to the merger of the mobile business of Orange Côte d'Ivoire and the fixed-line operator Côte d'Ivoire Telecom, both controlled by the Orange Group. The Ivorian government holds a 48.5% stake in the fixed-line operator and, following the merger, will hold 15% of the merged entity, with the Orange Group holding 73%.

It is expected that the merger will be completed by the end of the 2016.

Nigeria

MTN Nigeria awarded 2600MHz spectrum

On 27 June 2016, the Nigerian Communications Commission (NCC) [announced](#) that it has awarded MTN Nigeria 2x30MHz blocks of frequencies in the 2600MHz range.

MTN was the sole approved bidder in the recently concluded 2600MHz spectrum auction process.

Government and MTN reach agreement on fine

On 10 June 2016, MTN announced it had reached an agreement with the Nigeria Government over the level of fine it should pay due to its failure to disconnect over 5 million unregistered SIM cards in the country.

MTN has agreed to pay a reduced fine of 330 billion naira (\$1.7 billion).

MTN has to make its first payment on 8 July, with one payment in March 2017, and then two further payments in 2018 and a final two in 2019.

Senegal

Senegal to update legal and regulatory framework in the telecommunications sector

On 19 April 2016 the Senegalese news agency, Agence de Presse, [reported](#) that the Senegalese Ministry of Posts and Telecommunications (MINPOSTEL) had announced an overhaul of the legal framework for the telecommunications sector, scheduled to start in the first half of 2016.

The updates to the legal and regulatory framework are part of Senegal's Digital Strategy, and are intended to reflect recent developments in ICT and telecommunications and remove the 'excessive barriers to market entry for new players'.

Senegalese mobile operators given six months to identify users

The Senegalese telecommunications regulatory authority, Autorité de Régulation des Télécommunications et des Postes (ARTP) has [given](#) the country's mobile operators six months to identify all users of telecom services, starting from 10 May 2016. The mobile

operators will also be given access to central government identification files to help with the process.

ARTP awards 4G licences

On 6 June 2016, Agence Ecofin [reported](#) that Orange Senegal has secured a 4G licence for XOF100 billion, three times the reserve price set by the ARTP. It is understood that the fee paid included a renewal of Sonatel's licence for fixed, 2G and 3G services, due to expire in 2017

Following the award of the licence to Sonatel, Agence Ecofin reported that Tigo and Expresso have also [entered](#) into discussions with ARTP, with further speculation that a joint venture between SK Telecom and the CKG Group would [bid](#) for a fourth licence.

Togo

Cina Lawson: high speed mobile internet should not be a 'luxury product'

On 2 May 2016, Agence Ecofin [reported](#) that the Togolese Minister of the Digital Economy, Cina Lawson, has said that access to high-speed mobile internet should no longer be a 'luxury product'. Lawson called on Togo Cellulaire and Moov, the two local mobile operators, to rapidly expand their 3G networks so as to be able to offer the highest possible data speeds to customers.

According to figures published by the Ministry of Digital Economy, the number of people using smartphones to access the internet increased by 1.28 million in 2015 and is expected to rise rapidly over the next two to three years, but prices need to be accessible to all to continue this intensity of growth.

Southern Africa

Madagascar

ARTEC starts deactivation of unregistered SIMs

On 4 May 2016, Agence Ecofin [reported](#) that on 30 April 2016, the Malagasy telecoms regulatory body, the Autorité de Régulation des Technologies de la Communication (ARTEC) started the deactivation process for unregistered SIMs.

ARTEC started the registration campaign on 2 March 2016, to identify users of telecom services, with an initial deadline of 1 April 2016, which was later extended to 30 April 2016. Under Article 5 of Order No. 2471/2016, users will still have 90 days to register their details in order to reactivate their mobile number, failing which the number will be permanently deactivated.

New mobile operator Bip gains 10,000 customers in less than two weeks

On 13 June 2016 Agence Ecofin [reported](#) that less than two weeks after its launch, new mobile operator Bip had already attained 10,000 subscribers. Gulfsat Madagascar which operates under the Blueline banner became the fourth mobile operator in the country following the launch of its new brand Bip on 2 June 2016.

Bip also announced that it would be expanding gradually, with further stores planned across the country.

South Africa

ICASA enquiry into the continued existence of some licensees

On 12 April 2016, The Independent Communications Authority of South Africa (ICASA), [issued](#) a warning to Sundial Telecom (PTY) Ltd; Karel Greef; Mystic Blue Trading 55 (PTY) Ltd and SBS Telecoms (Pty) Ltd that they had until 30 April 2016 to inform the Coordinator of the Complaints and Compliance Committee that they are in fact active as a licensee, otherwise their licences would be terminated. This follows a number of futile attempts by ICASA to trace the activities of these licensees and non-compliance to licence terms and conditions.

Contacts



Daniel Sandelson
Partner
Head of Africa Telecoms
Group
T: +44 20 7006 8237
E: daniel.sandelson
@cliffordchance.com



Joachim Fleury
Partner
Global Head of TMT
T: +44 20 7006 8050
E: joachim.fleury
@cliffordchance.com



Edmund Boyo
Partner
Africa Group Co-Head
T: +44 20 7006 1000
E: edmund.boyo
@cliffordchance.com



Anthony Giustini
Partner
Africa Group Co-Head
T: +33 14405 5926
E: anthony.giustini
@cliffordchance.com



Jennifer Mbaluto
Associate, Kenya
T: +44 20 7006 2932
E: jennifer.mbaluto
@cliffordchance.com



Malik Idri
Associate
T: +33 14405 5132
E: malik.idri
@cliffordchance.com



Scott Vine
TMT Senior Knowledge &
Information Officer
T: +44 20 7006 8273
E: scott.vine
@cliffordchance.com

Other Clifford Chance Publications

The African Telecoms Newsletter is just one of many publications available from Clifford Chance.

Visit <http://www.cliffordchance.com/home.html#/content/cliffordchance/briefings.html> to see the complete list.

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2016

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to nomorecontact@cliffordchance.com or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Jakarta* ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

*Linda Widyati & Partners in association with Clifford Chance.