



## **Independent Communications Authority of South Africa**

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### **MEDIA RELEASE**

#### **ICASA POSITION REGARDING INTERNATIONAL INTERCONNECTION RATES**

**20 MARCH 2015**

**Johannesburg** – The Independent Communications Authority of South Africa hereby clarifies the position regarding international interconnection rates. This follows the notice issued by MTN (Pty) Ltd to all its interconnecting partners on 22 October 2014 stating that:

*“All international originated voice traffic destined for the MTN network will be charged a 0.25USD/minute or equivalent thereof in South African Rand (ZAR) or any other foreign currency as termination rate as of 1 November 2014.*

*5. Internationally originated voice calls transiting on MTN’s network to other South Africa networks will be charged at 0.25USD/minute or equivalent thereof in South African Rand (ZAR) or any other foreign currency as termination rate as of 1 November 2014.”*

The Authority subsequently received a complaint from members of ISPA and further queries from other licensees requiring regulatory clarity on the matter. The Authority’s position is summarised below:

## **1. Differentiation between traffic originating within and outside the borders of South Africa**

- 1.1. The Call Termination Regulations, Government Gazette No. 38042 of 30 September 2014 ("the Regulations") make no distinction between termination services for voice calls originating within and outside of the borders of South Africa.
- 1.2. The service offered by MTN to other licensed operators constitutes termination services as defined in terms of the Regulations.
- 1.3. By charging a different rate for termination between licensed operators in the manner that it has, MTN is in breach of the non-discrimination principles as per section 37 (6) of the Electronic Communications Act.

## **2. Amendment of interconnection agreements**

- 2.1. Regulations 17 and 19 of the Interconnection Regulations, 2010, Gazette Number 33101 of 9 April 2010 state that an interconnection agreement and interconnection amendment agreement must be submitted to the Authority in terms of section 39 of the Act for filing. Any amendment to an interconnection agreement must comply with regulation 7, read with section 39 of the Act, failing which the amendment would be invalid.
- 2.2. The Authority therefore determines that the notice by MTN informing its interconnection partners what it would charge its interconnection partners is a unilateral amendment of the interconnection agreement. The conclusion of an interconnection agreement must meet the first prerequisite of a contract, which is that parties have reached

agreement, as envisaged in section 37(4) of the Act. Therefore the current terms of the interconnection agreements remains binding, until there is mutual agreement between the parties to amend.

### **3. The Authority's position and directive to MTN**

3.1. The Authority, therefore, directs MTN to immediately cease collection of the USD0.25 from local interconnecting partners and to comply with the charging regime contained in the Call Termination Regulations, 2014, as reflected in the interconnection agreements.

Any enquiries in relation to international interconnection should be directed to Christian Mhlanga on (011) 566 3637 or [cmhlanga@icasa.org.za](mailto:cmhlanga@icasa.org.za)

**Ends...**

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