

VALUE ADDED SERVICES DIRECTIVE

(Translated from the Amharic Version)

WHEREAS, the provision of Value Added Services by the private sector enhance the penetration of Information and Communications Technology throughout the country,

WHEREAS, it has become imperative to involve cooperatives, the private sector and others in the service provision process so as to particularly make full use of the network installed by the Ethiopian Telecommunication Corporation which is capable of providing broadband service,

NOW THEREFORE, in accordance with article 10 sub-article (4) of the Telecommunication Proclamation No. 49/1996 (as amended), the Ministry of Infrastructure has issued this Directive.

ARTICLE ONE

SHORT TITLE

This Directive may be cited as "Value Added Service Directive No. 2/2005"

ARTICLE TWO

DEFINITIONS

Without prejudice to the application to this Directive of the Definitions of the Telecommunication Proclamation No. 49/1996 (as amended) and Council of Ministers Regulations No. 47/1999, in this Directive, unless the context requires otherwise:

1. "**Agency**" means Ethiopian Telecommunication Agency.
2. "**Call Center Service**" means information provisioning service which is useful for a customer or potential customer by the initiation of the person providing the information himself or through a request made by the customer or potential customer by a telephone call or using internet, regarding the business or service the person is providing, or the business or service of another person, or on other similar issue.
3. "**Corporation**" means an entity defined as the sole telecommunication service provider under Article 2 sub-Article 3 of the Telecommunication Proclamation No. 49/1996 (as amended).
4. "**Licensee**" means a person licensed to provide Value Added Services.

5. **"Value Added Service License"** means Virtual Internet Service license or Call Center Service license.
6. **"Virtual Internet Service (V-Internet)"** means the provision of dial-up internet access service, web hosting service, e-mail and other similar services to customers by leasing internet bandwidth or internet network equipment of the Corporation.

ARTICLE THREE

REQUIREMENT OF A LICENSE AND TYPES OF LICENSES

1. Requirement of a license

A person who desires to provide a Virtual Internet Service or a Call Center Service shall obtain a license from the Agency in accordance with this Directive.

2. Types of Value Added Service licenses

Types of Value Added Services are:-

- a. Virtual Internet Service
- b. Call Center Service

ARTICLE FOUR

REQUIREMENTS FOR OBTAINING A LICENSE

1. Subject to fulfilling the requirements applicable to all licenses which are set forth under sub-article 2 of this Article, a person shall also fulfill the following before obtaining a license for each type of Value Added Service described under sub-article 2 Article 3 of this Directive:

A. Virtual Internet Service

A Virtual Internet Service license applicant shall at least have:

- i. two graduate professionals with first degree in computer science, electrical or computer engineering or in related fields and having two years experience in the information and communication sector;
- ii. one technician having a diploma from a recognized educational institution in electronics, electricity or related fields and

- iii. one separate or integrated router and one access server applicable for dial-up service only.

B. Call Center Service

A Call Center Service license applicant shall at least have:

- i. two graduate professionals with first degree in computer science, electrical or computer engineering or in related fields and having two years experience in the information and communication sector;
- ii. automatic Call distribution switch and
- iii. two call agents.

C. Use of professionals to apply for different Value Added Services Licenses.

An applicant may secure a license for both Call Center and Virtual Internet Service, by employing the professionals mentioned under sub-article 1 (A) (i) and (ii) of Article 4.

- 2. Without prejudice to the provision of sub-article 1 of this Article, any person that applies for a license shall submit the following:
 - a. Principal Registration Certificate from the concerned office as per Article 5 sub-Article 1 of Business Registration and License Proclamation No 67/1997.
 - b. Memorandum and Article of Association, if it is a Business Organization.
 - c. Evidence showing that the applicant is of Ethiopian national or if the applicant is a foreign national of Ethiopian origin, an identification card to this effect.
 - d. Evidence showing the educational background and work experience of its professional workers and if the professional workers are employed, their contract of employment made with the owner or the business organization.

ARTICLE FIVE

CONTRACT BETWEEN THE CORPORATION AND A LICENSEE ON SERVICE DELIVERY AND, ON SETTING THE LEVEL OF STANDARD AND QUALITY OF SERVICE

1. A contract shall be signed between the Corporation and a Licensee on service delivery and, on the level of standard and quality of service.
2. The contract on service delivery and, the level of standard and quality of service may be prepared and signed in one document or on two separate documents.
3. **Contract on the level of standard and quality of service**
 - A. The contract to set the level of standard and quality of service shall at least contain the following:
 - i. the type of service and its level of quality provided by the Corporation to a Licensee;
 - ii. conditions of maintaining, with priority and urgency, of a line or a service and time limit to make the line or service ready for operation where a fault occurs on line or service provided by the Corporation and
 - iii. compensation related issues for the damage incurred by the licensee as a result of the fault of the Corporation.
4. **Contract on service delivery**
 - A. The contract on service delivery shall at least contain the following:
 - i. type of service to be provided to the Licensee by the Corporation;
 - ii. payment to be effected by the Licensee to the Corporation for the service provided and
 - iii. conditions of cancellation of the contract.
 - B. Payment guarantee condition may be included in the contract to make sure that payment is effected by the Licensee for the service it gets from the Corporation.
5. The Corporation may cancel the contract; if the Agency cancels the Licensee's license; if the Licensee fails to perform its payment obligation to the Corporation within the time limit indicated in the

contract for service delivery; if the Licensee clearly breaches the security guideline of the Corporation when it is using the equipment which links it to the Corporation's network or when sharing an equipment with the Corporation; or when force majeure occurs.

ARTICLE SIX

APPLICATION FOR, ISSUANCE AND REFUSAL OF A LICENSE

1. Any person, in order to be issued with a license in accordance with this Directive, shall submit its application to the Agency.
2. If an applicant submits its application by fulfilling all the requirements for the type of license it is applying for, as indicated under this Directive, the Agency shall issue a license within four working days.
3. If an applicant does not fulfill all the competency requirements of this Directive for the type of license applied for, the Agency shall refuse to issue a license. The Agency shall notify an applicant, in writing, within four working days, the reason for its refusal.

ARTICLE SEVEN

LICENSE FEE, VALIDITY PERIOD FOR A LICENSE, RENEWAL OF A LICENSE AND SERVICE FEE

1. Validity period and Renewal

A license issued by the Agency shall be valid for a period of one government fiscal year during which it is issued and shall be renewed every year up to Yekatit 30 of Ethiopian Calendar.

2. License and Renewal Fee

- a. When a Virtual Internet Service license is issued Birr 533 (Five hundred thirty three) and when the license is renewed Birr 166 (one hundred sixty six) shall be paid to the Agency.
- b. When a Call Center Service license is issued Birr 349 (three hundred forty nine) and when the license is renewed Birr 122 (one hundred twenty two) shall be paid to the Agency.

3. Service Fees

- a. The service fee charged by the Corporation for the service it provides to a licensee shall be consistent and shall encourage a Licensee to expand the service penetration. It shall also be based

on a price specifically determined for the use by the Value Added Service provider.

- b. Before the issuance of a license as per this Directive, the Corporation shall determine and make public the service fee it charges a Licensee.
- c. If there is a change on service fee, the Corporation shall inform the Licensees in writing and also the public using mass media 30 days before the change becomes effective.

ARTICLE EIGHT

OBLIGATIONS OF A LICENSEE

1. A Licensee shall comply with the provisions of this Directive and other relevant laws.
2. Based on the license issued to it under this Directive, a Licensee shall only be allowed to work the type of services which are enumerated on the license.
3. A Licensee shall renew its license within the period determined under Article 7 sub-article 1 of this Directive.
4. A telecommunication equipment to be operated by a Licensee shall be type approved by the Agency.
5. A telecommunication equipment of a Licensee shall only be used for the type of service licensed.
6. A Licensee, after securing its license, shall enter into a contract with the Corporation as per Article 5 of this Directive.
7. A Licensee, before signing a service delivery contract with the Corporation, shall submit to the Corporation its network design in which it intends to provide a service.
8. A Licensee shall sign a service delivery contract with its customers.
9. A Licensee shall not use the trade name or trade mark of the Corporation.
10. A Licensee shall ensure that Equipment connected to the network of the Corporation or shared with the Corporation shall follow security and safety guidelines prescribed by the Corporation.
11. The Licensee shall only take and use Internet and public switched telecommunication services from the Corporation.
12. The Licensee shall respect the right of any person to the inviolability of communications made by telecommunication or electronic devices.

13. Virtual Internet Service Licensee shall obtain a domain name on the basis of a procedure employed by the Corporation or other entity empowered by law to assign a domain name.
14. Equipment of a Call Center Service Licensees shall not be interconnected with each other or the equipment of other similar Licensees.

ARTICLE NINE
OBLIGATIONS OF THE CORPORATION

1. The Corporation shall not make undue preference among Licensees of similar level.
2. The Corporation shall sign contracts indicated under Article 5 of this Directive with the person issued with a license from the Agency and start providing the appropriate service to the same within 30 days of issuance of the license.
3. For the purpose of implementing the Value Added Services under this Directive, the Corporation shall enter into a contract with Licensees as per Article 5 of this Directive.
4. The Corporation, when signing a contract with a Licensee as per sub-article 4 of Article 5 of this Directive, shall not make the obligations of a Licensee more onerous than the obligations specified under this Directive.
5. The draft contract on service delivery to be signed by the Corporation with the Licensee as per Article 5 of this Directive shall, before being implemented, shall have the consent of the Agency.
6. The Corporation shall support and cooperate with the Agency in its effort to ensure the implementation of this Directive.

ARTICLE TEN
RESPONSIBILITY OF THE AGENCY

1. The Agency shall be the licensing and implementing authority for all licenses issued as per this Directive. It shall be responsible to ensure the proper implementation of this Directive.
2. The Agency, in order to ensure compliance with the Directive, may carry out an inspection in a place where a Licensee is providing the service, as per the power given to it by Article 17 of Telecommunication Proclamation No.49/1996 (as amended).

3. The Agency, in implementing this Directive, shall apply provisions found in Telecommunication Proclamation No. 49/1996 (as amended) and Telecommunication Services Council of Ministers Regulations No.47/1999, which are related to consumer protection, as may be necessary.

**ARTICLE ELEVEN
CRIMINAL LIABILITY**

A person who commits an offence as per Article 25 of the Telecommunication Proclamation No.49/1996 (as amended) shall be criminally liable for the offence.

**ARTICLE TWELVE
REVOCAION OF A LICENSE**

1. The license shall be revoked: if the Licensee fails to respect the provisions of Article 8 or sub-article 2 and 3 of Article 10 of this Directive; if it is discovered that the Licensee got the license by false or fraudulent evidence; if the Licensee got bankrupt or quits operation; if the service delivery contract, the license signed with the Corporation, is cancelled as per this Directive or if the period for renewing the license has expired.
2. The service obtained from the Corporation shall be terminated, if a license is revoked as per sub-article 1 of this Article.

**ARTICLE THIRTEEN
AMENDING THE DIRECTIVE**

The Ministry of Infrastructure is empowered to amend or change this Directive.

**ARTICLE FOURTEEN
EFFECTIVE DATE**

This Directive shall come into force as of the 16th day of August, 2005.

Done at Addis Ababa on the 8th day of August, 2005.

**KASSU YILALA (Dr.)
MINISTER OF INFRASTRUCTURE**