Independent Communications Authority of South Africa
350 Witch-Hazel Avenue, Eco Point Office Park
Eco Park, Centurion
Private Bag X10, Highveld Park 0169

MEDIA STATEMENT

ICASA PUBLISHES DRAFT CALL TERMINATION REGULATIONS

22 March 2024

Pretoria - The Independent Communications Authority of South Africa has today published for public comment [draft amendments to the Call Termination Regulations, of 2014 and 2018]. These draft amendments mark the penultimate step in a process that began with the Authority's 2021 decision to review the existing call termination rates.

The central feature of the draft regulations sees a substantial reduction in wholesale voice call termination rates charged, as follows:

Termination to a Mobile Device ***(Rands per minute)***			
Type of Operator	**Current**	**From 1 July 2024**	**From 1 July 2025**
Large Operators	0,09	0,07	0,04
Small Operators	0,13	0,09	0,04
New Entrants[1]		0,07	0,07
Termination to a Fixed Device ***(Rands per minute)***			
Type of Operator	**Current**	**From 1 July 2024**	**From 1 July 2025**
Large Operators	0,06	0,04	0,01
Small Operators	0,06	0,04	0,01
New Entrants[2]		0,04	0,04

These draft rates emanate from an intensive cost-modelling process involving the development of an iterative, multi-input, bottom-up cost model, accompanied by

[1] Applicable for three years from market entry.
[2] Ibid.

extensive engagement with the main voice operators. The central feature of this cost model has been the adoption of a long-run incremental cost (LRIC) approach in line with global international good practice. The outcome of this consultative process has allowed the Authority to deduce the appropriate cost levels of wholesale voice call termination services, and therefore to specify what operators should be able to charge.

Another central feature of the above rates is the phasing out of asymmetry between what large and small mobile operators can charge, in accordance with the decision set out in the Authority's 2022 Findings Document. New entrants into the voice services market will, however, qualify for asymmetry for a limited period of three years after entry into the market.

Lastly, all operators may charge reciprocal international termination rates for voice calls originating outside of South Africa. The international termination rates charged by an operator must not be less than the South Africa termination rates as set out above, or higher than the termination rate charged by the respective international operator.

"In creating a more competitive and consumer-friendly telecommunications landscape, ICASA takes a significant stride with the publication of draft amendments to the Call Termination Regulations. By phasing out asymmetry and providing a transitionary period for new entrants, we aim to empower operators to adapt gradually, all while maximizing benefits for consumers", says Council Committee Chairperson, Cllr Nompucuko Nontombana.

"The Authority is confident that these wholesale voice call termination rates will not only meet the objectives of the ECA but also pave the way for a more dynamic and consumer-centric telecommunications market," added Cllr Nontombana.

These regulations are part of the broader measures to reduce the cost to communicate and are intended to be applicable from 01 July 2024. The Authority believes that the wholesale voice call termination rates set out in the draft Regulations will aid in transitioning the market towards a more competitive landscape as contemplated in the objects of the 2005 Electronic Communications Act.

Stakeholders and members of the public are urged to make submissions to ICASA on these draft regulations by no later than 16H00 on April 2024 by post, hand delivery or electronically (in Microsoft Word) and marked specifically for the attention of the **Chairperson** (Call termination Review).

Ends.

For all media enquiries, please contact:

Milly Matlou

063 257 0030

Email: Media@icasa.org.za