



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF INFORMATION, COMMUNICATION
AND INFORMATION TECHNOLOGY
TANZANIA COMMUNICATIONS REGULATORY
AUTHORITY



Ref. No: EB.32/160/01/103

09th February, 2024

Director General,
Tanzania Telecommunications Corporation Limited (TTCL),
Extelecom Building,
32 Samora Machel Avenue,
P.O. Box 9070,
11101 DAR ES SALAAM.

DECISION ON COMPLIANCE ORDER

(Pursuant to the Compliance Order issued to Tanzania Telecommunications Corporation dated 4th January 2024)

1.0 INTRODUCTION

- 1.1 Tanzania Communications Regulatory Authority (hereinafter referred to as the "**Authority**") issued to **Tanzania Telecommunication Corporation Limited (TTCL)** (hereinafter referred to as the "**Licensee**"), licences and radio frequency spectrum resources for provision of national network facilities, national network services and application services (hereinafter referred to as "**licensed services**") in the United Republic of Tanzania.
- 1.2 In providing the licensed services, the Licensee is required to abide by the relevant provisions of the Law, Regulations, Authority's directives and any other laws of Tanzania;
- 1.3 Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations 2023, among other things, limits the number of SIM Cards to be registered per subscriber and enumerates the procedures to be followed where a subscriber is desirous of registering more than the allowed SIM Card;
- 1.4 The Authority conducted investigation from 1st September, 2023 to 19th November, 2023 and discovered that the Licensee has allowed twelve (12) National Identification Numbers (NINs) to register more than the allowed SIM Cards, resulting to registration of seventy-three (73) SIM Cards without following the duly established procedures

contrary to Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023.

1.5 On 22nd November 2023, the Authority directed the Licensee to provide explanation on the procedure used to register the 73 SIM Cards Contrary Regulation 37 of the SIM Card Registration Regulations of 2023.

1.6 On 08th December, 2023, the Licensee responded to the Authority admitting to register the 73 SIM Cards by using the 12 NINs contrary to the requirements of Regulation 37 of the SIM Cards Registration Regulations, and stated that the non-compliance was caused by their EKYC System, whereby the request for approval of registration of a SIM Card for a particular NIN is sent to the additional SIM Cards API before registration of the same.

2.0 COMPLIANCE ORDER

The Authority on 4th January, 2024 issued a Compliance Order requiring the Licensee to submit a written defence by 18th January 2024, and appear before the Authority on 23rd day of January, 2024 at 10:00 A.M, to show cause as to why regulatory and legal actions should not be taken against the Licensee for the breach of regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations of 2023.

3.0 COMPLIANCE ORDER HEARING

The Licensee appeared for the hearing of the compliance order on 23rd January, 2024 at 10:00hrs being represented by Mr. Kambey Kisamba, Asha Wallady, Peter Dogani, Asha Msisa and Lekhanditsove Ngulwa. The Licensee's representatives led by Mr. Kambey Kisamba made an oral submission which was later supported by written submission filed on 24th January, 2024 as hereby summarised:

4.0 THE LICENSEE'S DEFENCE

4.1 In their defence, the Licensee acknowledged the findings of the Authority following the investigations conducted from 1st September to 19th November, 2023 revealing that 12 NINs were used by the Licensee to register 73 Sim cards contrary to the requirements of Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023.

- 4.2 The Licensee further submitted that the breach was due to misbehaving of their SIM Card registration systems used in the internal checks along with that of the Authority which resulted into failure to control the maximum number of SIM cards to be registered per each NIN.
- 4.3 In addition to that, the Licensee submitted that the internal controls implemented in the Authority's SIM card registration system were configured to assist in SIM card registration checks as per the "Additional SIM Card API" were also expected to fulfill the purpose of limiting registration of additional numbers.
- 4.4 The Licensee further submitted that, in the Financial Year 2023/2024, they have been improving most of their internal control systems. In response to the incident that was reported, the Licensee took immediate action to prioritize the improvement of the EKYC system to incorporate the mechanism for checking the maximum number of SIM cards registered and allowed for a particular NIN as the primary check before requesting approval of additional SIM card registration from the Additional SIM Card API.
- 4.5 In responding to the Authority for more clarifications, the Licensee submitted that, they knew that the registration process for additional SIM Card had to pass to the Authority for approval, however they did not know how was possible for such registration process not to pass through the Authority system for approvals.
- 4.6 When inquired by Authority as to when they become aware of the anomalies in their SIM Card registration systems; the Licensee responded that they become aware of the anomalies in their system after receiving the directives from the Authority.
- 4.7 In their closing submission, the Licensee expressed their willingness to adhere to the country laws, regulations, and directives to reduce fraudulent activities, among other things. Further the Licensee committed to continuously enhance internal systems to ensure that compliance with various regulations is effectively enforced.

5.0 CONSIDERATION OF THE LICENSEE'S DEFENCE

Having heard the Licensee's oral submission and read the Licensee's written defence, the Authority had the following observations:

- 5.1 That, the Licensee admitted having allowed 12 NINs to register 73 SIM Cards which is above the prescribed limit contrary to Regulation 37 of Electronic and Postal Communications (SIM Card Registration) Regulations of 2023.
- 5.2 The Authority considered the Licensee's defence submission on the fact that, the breach was due to misbehaving of the Licensee's system specifically on the internal control checks. The Authority noted that, the Licensee is obligated to implement internal controls to ensure compliance to SIM card registration processes and to prevent fraud emanating from SIM Card registration process as provided under Regulation 36(a) of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023.
- 5.3 The Authority observed that, the licensee did not conduct a thorough investigation specific to the shared findings details in order to understand the root cause. There was no evidence from the licensee demonstrating whether the MSISDNs registered under NINs in the findings had obtained approval from the Authority.
- 5.4 The Authority recalled on various previous meetings and directives with the Licensee on reinforcing the SIM Card registration process, especially on control mechanism of fraudsters. That, the reinforcement of the SIM Card registration process has been a long-time agenda and yet there are still challenges in the internal control mechanism of the Licensee.
- 5.5 Considering that, on several occasions the licensee has been engaged, insisted and urged to ensure compliance to proper compliance to requirements of the Electronic and Postal Communication (SIM Card Registration) Regulations, 2023 and also reminded the licensee of the consequences of non-compliance to such Regulations on the economy and the consumers and the society at large.

6.0 DECISION

NOWHEREFORE, considering gravity of the licensee's non-compliance, their defence submissions and the fact that the Licensee is an experienced operator well aware of the requirement of Law, Regulations and licence conditions, the Authority, by virtue of Section 114 of the Electronic and Postal Communications Act (Cap 306 R.E. 2022) and Section 48 (3) of the Tanzania Communications Regulatory Authority Act (Cap 172 of Laws of Tanzania), hereby warns **Tanzania Telecommunications**

Corporation Limited for the non-compliances to the cited Regulations and orders
Tanzania Telecommunications Corporation Limited to:-

- 6.1. pay, within 30 days from the date of this decision, a penalty of **Tanzania Shillings Five Million Only (TZS 5,000,000)** for allowing 12 National Identity Cards to register 13 SIM cards above the limit contrary to Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023;
- 6.2 take measures that will ensure effective and efficient internal SIM Card registration controls, in order to avoid recurrence of the non-compliance and to fully comply with the requirements of Electronic and Postal Communications (SIM Card Registration) Regulations, 2023; and
- 6.3 submit to the Authority, within 14 days, report detailing the measures taken pursuant to order 6.2.

7.0 Should Tanzania Telecommunications Corporation Limited fail to implement the above orders and commit further SIM card registration malpractices contrary to the requirements of Electronic and Postal Communications (SIM Card Registration) Regulations, 2023, more stringent regulatory actions will be taken against **Tanzania Telecommunications Corporation Limited** for the continued non compliances.



Dr. Jabiri K. Bakari
DIRECTOR GENERAL

The Compliance Order Decision is served upon and received by **Tanzania Telecommunications Corporation Limited** on this...12...day of...02.....2024.

Name: JANEPHAR NYAGAYA

Signature: [Handwritten Signature]

(Official Stamp)

Designation: TTCL - HQ (022 214 2148)

(This Compliance Order Decision is issued in duplicate. Sign both copies and retain your copy while the other copy is to be returned to the Authority to authenticate due service of the Order.)