



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



Ref. No: EB.32/160/01/104

09th February, 2024

Managing Director,
Vodacom Tanzania PLC,
15th Floor Vodacom Tower, Ursino Estate,
Plot 23, Old Bagamoyo Road,
P.O. Box 2369,
11112 DAR ES SALAAM.

DECISION ON COMPLIANCE ORDER

(Pursuant to the Compliance Order issued to Vodacom Tanzania Limited dated 04th January 2024)

1.0 INTRODUCTION

- 1.1 Tanzania Communications Regulatory Authority (hereinafter referred to as the "Authority") issued to **Vodacom Tanzania Plc**, (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 Cards;
- 1.4 The Authority conducted investigations from 1st September 2023 to 19th November 2023 which revealed that, the Licensee allowed 59 National Identification Numbers (NINs) to register more than the allowed number, resulting to registration of 364 SIM Cards without following the duly established procedure.

1.5 On 22nd November 2023, the Authority directed the Licensee to provide explanation on the procedure used to register the SIM Cards as referred in para 1.4 while considering the requirements under Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations of 2023.

1.6 On 27th November 2023, the Licensee responded to the Authority admitting to have allowed 59 NINs to register more than the allowed number of SIM cards, contrary to the requirement of Regulation 37 of the SIM Card Registration Regulations of 2023. Further, the Licensee stated that, their analysis has revealed that, there had been technical glitch that has led to the system override hence the multiple registration of the primary sim card which resulted to the excess in issue.

2.0 COMPLIANCE ORDER

The Authority on 4th January, 2024 issued a Compliance Order requiring the Licensee to submit a written explanation by 18th January 2024 and appear before the Authority on 22nd day of January, 2024 at 12:00 A.M, at the Authority's Headquarters in Dar es Salaam to show cause as to why Regulatory and Legal actions should not be taken against the Licensee for breach of Regulations.

3.0 COMPLIANCE ORDER HEARING

In compliance to the order, the Licensee submitted their written explanation on 18th January 2024 and appeared for Compliance Order hearing before the Authority on 22nd January 2024 at 10:00 A.M, being represented by Mr. Olaf Mumburi Director for Legal services, Ms. Esther Wangoi -Head Regulatory Affairs, Sauko Timoth-SRS, Hubiri Mayanga - IT Officer, Dingo Peter- Risk Officer, Grace Chambua of Commercial and Pastory Massawe of Commercial.

4.0 LICENSEE'S DEFENCE

4.1 In their defence, the Licensee acknowledged to receive the Authority's directive dated 22nd November 2023 and their response to the directive on 27th November 2023. The Licensee reiterated on their response to the directive which elaborated the analysis carried out after receiving the directive from the Authority. That, the findings of the analysis revealed 17 out of 59 NINs were found to be in compliant. For the remained 42 NINs it was revealed that, there was the technical glitch on their side that has led the system to system override, which resulted to the inability to reject for a period of time additional SIM cards above limit of 5 across all 42 NINs.

- 4.2 The Licensee further submitted that, some of their Agents fraudulently identified multiple MSISDNs as primary numbers per NIN simultaneously using two different registration devices. Further to that the Licensee submitted that, there was incomplete registration process due to the system communication error in which during registration of the subscriber, and after TCRA approval their system failed to update TCRA data base which impacted count of subscriber's MSISDN which resulted into customers to get more than 4 approvals from the Authority. Lastly the licensee submitted that there was a bug in their system which allowed a previously registered subscriber such as a foreigner to register another SIM card under individual/citizen category which affected the number of SIM cards to be owned in each registration category and the registration system validated the additional number based on NIN which was previously registered in other category type.
- 4.3 In addition to their response dated 27th November, 2023, the Licensee submitted that, after receiving the directive from the Authority they launched internal investigation in which they discovered there was system error in identification of primary numbers for more than one time hence led to excess. They further submitted that, the error in their system allowed one NIN to register more than one primary number at a time which resulted into every primary number to have a counter number. Furthermore, the Licensee submitted that, there was technical problem with their registration application which also led some of the agents to use it as loophole to register excess SIM cards.
- 4.4 Adding more to their defence, the Licensee submitted that, having noted the anomalies, they immediately established a rule check in their internal registration system which will enable any system malfunction to instantly notify the relevant designated personnel to insure no further breach. In addition to that the licensee submitted that, as a corrective measure they have immediately deregistered all the MSISDNs to ensure the customer undertakes re-registration of the SIM cards for accurate identification of Primary and Secondary numbers. That, the Licensee did not intend to register excess SIM cards contrary to the Regulations and that the Licensee over the period of time has been demonstrating cooperation and commitment to the Authority to attain compliance and overarching goals of the EPOCA (SIM Card Registration) Regulations, 2023.

- 4.5 In responding to the Authority for more clarifications, the Licensee submitted that, they have enhanced their system to have real time registration alerts and intends to invest more to clear or reduce problems associated with SIM Card registration. Also, they have established an automatic monitoring alert in the SIM Card registration system to identify the anomalies proactively.
- 4.6 In that regard, the Licensee invited the Authority to consider the investments, efforts and dedication made by the Licensee to improve the SIM Card registration process. That, the Authority consider not to take punitive approach, in order to encourage greater regulatory cooperation for the prompt resolution of issues.
- 4.7 In conclusion, the Licensee requested the Authority not to take legal and regulatory actions against them. That, they are ready to work together with the Authority to ensure SIM Card registration processes and procedures works seamlessly and comply to the requirement of the laws and regulations.

5.0 CONSIDERATION OF LICENSEE'S DEFENCE

Having read and heard the Licensee's defence, the Authority made the following observations:-

- 5.1 That, the Licensee admitted breach of Regulation 37 of Electronic and Postal Communications (SIM Card Registration) Regulations of 2023, for registering SIM Cards above the stipulated limit per NIN. In their submission, the Licensee stated that, after receiving the directive from the Authority, they conducted investigation and noted that 42 out of 59 NINs were used to register SIM Cards beyond the limit.
- 5.2 The Authority considered the Licensee's submission on the fact that, there was unidentified system error that overrode the internal limit of SIM cards across their individual registration category. Also, the Authority considered the licensee's submission that the agents fraudulently identified multiple MSISDNs as primary numbers per NIN simultaneously using two different registration devices. In its analysis of the submissions, the Authority observed that the Licensee had inadequate checks and controls of its internal registration systems. Further, the Authority noted that, the licensee does not conduct regular inspections on its agents contrary to Regulations 5(1) and 35 of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023. Regulation 5 (1) provides an obligation to the Licensee to establish verification procedures to ensure all SIM cards are

registered for an intended customer with a respective NIN. Also, Regulation 35 requires the Licensee to conduct monthly vetting to their agents to ensure there is compliance to the requirements of SIM Card registration and the monthly report to be submitted to the Authority. The provisions of the Regulations clearly stipulate a responsibility of the Licensee towards compliance of their agents as they perform registration process on their behalf.

- 5.3 The licensee acknowledged several issues, including communication errors, delays in completing the deletion process, and problems with subscriber categorization. These issues were expected to impact the ability to perform registrations of additional numbers, contrary to the licensee's clarification. Furthermore, among the 17 NINs that the licensee had noted as compliant, displayed fraudulent issues, and the same NINs were used to register multiple MSISDNs with the same agent in a period of minutes.
- 5.4 Further, from the submissions, the Authority noted that, the Licensee conducted investigation and took corrective actions on the SIM Cards registered above the limit as well as fraudulent agents, after being issued with a directive from the Authority on 22nd November 2023, hence the Licensee was less proactive. This is contrary to the provisions of Regulation 36(a) of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023, which oblige the Licensee to implement internal controls for monitoring such errors and fraud emanating from SIM Card registration process.
- 5.5 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.
- 5.6 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

NOWTHEREFORE, 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 **Vodacom Tanzania PLC** for the non-compliances to the cited Regulations and orders **Vodacom Tanzania Plc** to:-

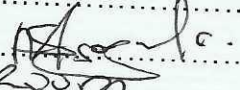
- 6.1 pay, within 30 days from the date of this decision, a penalty of **Tanzania Shillings Fourteen Million Seven Hundred Fifty Thousand Only (TZS 14,750,000)** for allowing 59 National Identity Cards to register 69 SIM cards above the limit contrary to Regulation 37 of the Electronic and Postal Communications (SIM Card Registration) Regulations, 2023;
- 6.2 take measures that will ensure effective and efficient internal SIM Card registration controls, in order to avoid re-occurrence 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 Vodacom Tanzania Plc 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 **Vodacom Tanzania Plc** for the continued non compliances.


Dr. Jabiri K. Bakari
DIRECTOR GENERAL



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

Name: STELA CHARLES MSANGULA
Signature: 
Designation: MAIL ROOM CHECK

(Official Stamp)

(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.)