



**ASIA-PACIFIC TELECOMMUNITY**  
**1<sup>st</sup> Meeting of SATRC Working Group on Policy,**  
**Regulation and Services in SAP-IV**  
22 – 23 October 2012, Tehran, Islamic Rep. of Iran

**Document**  
**SAPIV/WGPRS01/INP-11**  
**22 October 2012**

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**Pakistan Telecommunication Authority**

**DETAIL OF THE WORK ITEM ON “GROWTH OF VALUE ADDED  
SERVICES”**

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## Growth of Value Added Services

### APT WG For Policy Regulation & Services Meeting

22-23<sup>rd</sup> October 2012

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## VALUE ADDED SERVICES

- Value Added Services
- Value Chain
- Regulation of VAS
- Growth of VAS
  - Statistics
  - Issues
  - Discussion and Recommendations

## VALUE ADDED SERVICES

- ❑ Definition
- ❑ Characteristics of Value Added Services
  - Facilitate the Users
  - Source of revenue for operators
- ❑ Stand Alone VAS
  - e.g. Internet, E-Commerce, information services, entertainment.
- ❑ Complimentary VAS
  - e.g. Call waiting, Call forwarding, Caller Ring back tunes.

## Classification of VAS

### Information

News, Announcements, Advertising , location based services , polling etc

### Entertainment:

Horoscopes, Jokes, Wallpapers, Videos, Mobile/ Internet TV etc

### Mobile Commerce

Mobile Banking, Ticketing, Shopping, etc

### Social Services

Education, Agriculture, Health Care, e-government services.

## TECHNOLOGIES

- Platforms for delivering VAS

  - SMS

  - WAP

  - IVR

  - USSD (Unstructured Supplementary Services Data )

  - SIM Application Toolkit

## EVOLUTION OF VAS

- Short Messaging Service

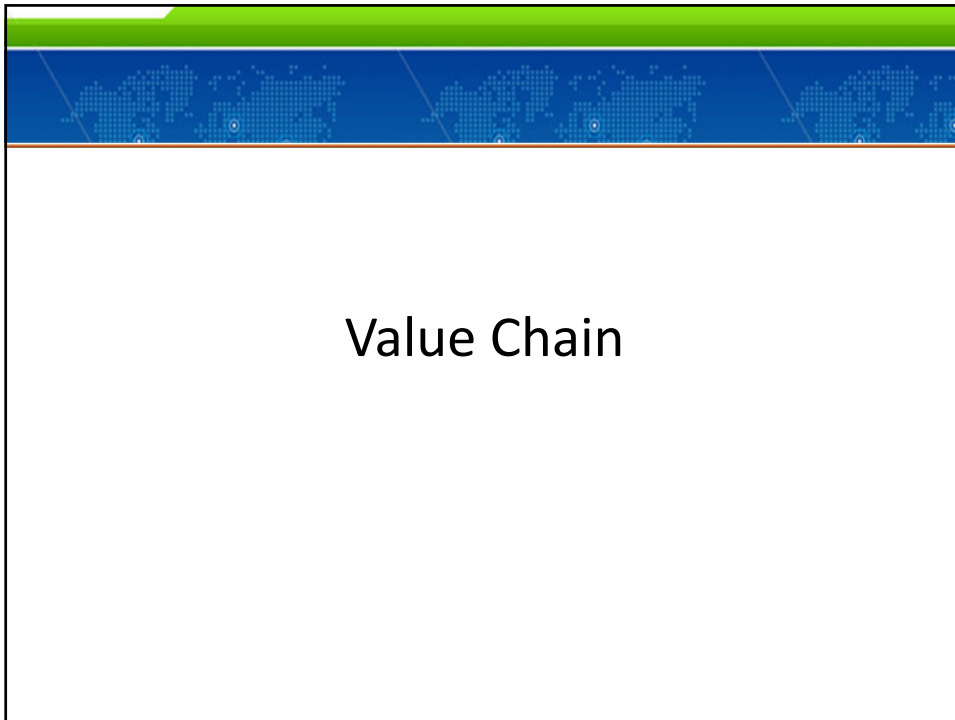
- Mobile operators started providing information such as news, weather forecast and entertainment i.e. wallpapers, jokes, ringtones

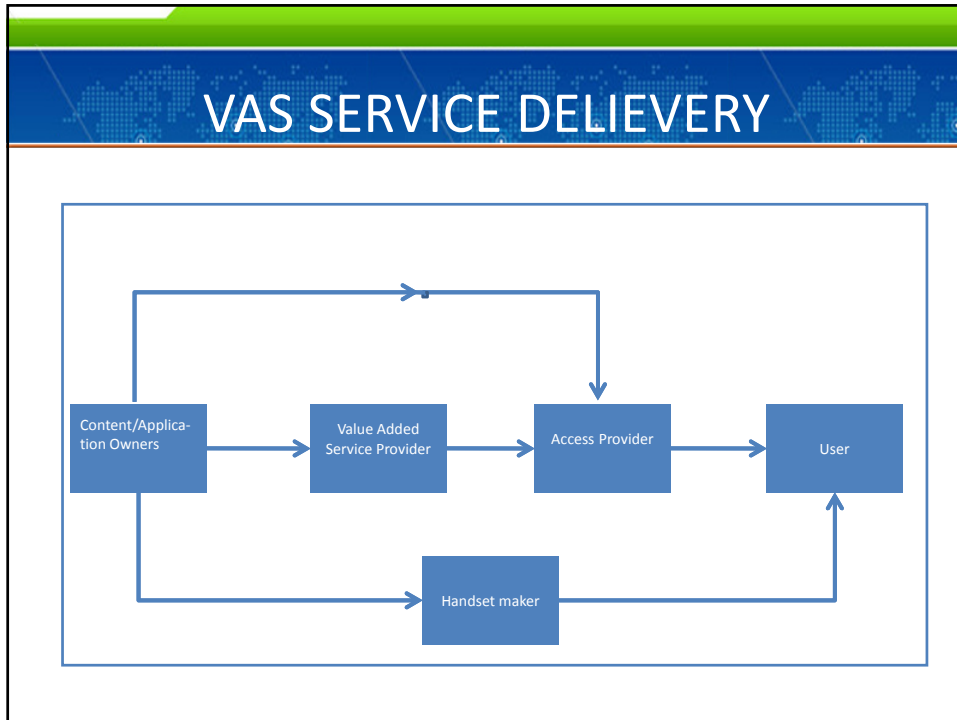
- WAP

- Development of Mobile Applications

- E-commerce

- Video Streaming





## VAS Regulation

## REGULATION PRACTICES

No Regulation

License is required

Needs to Register with the telecom Regulator and follow guidelines prepared by the regulator.

Needs to Register with Industry body and follow guidelines formulated by the industry itself

## VAS Licensing in Pakistan

- CVAS Licensing & Registration Regulations in 2007.
- LDI, LL and Cellular Licensees needs only permission from Authority.
- Third Party i.e. Value Added Service Provider need License or Registration.
- Inter-Operator Agreements
- Three categories of value added services license or registration.
  - i . DATA CVAS LICENSE
  - ii. VOICE CVAS LICENSE
  - iii. CVAS REGISTRATION

## DATA CVAS LICENSE

SERVICES

- Vehicle Tracking Service
- Internet Service
- Data Service

- 15 years duration
- Initial License fee
- Annual License fee
- Type Approval
- Code of Commercial Practice
- Service Level Agreement

## VOICE CVAS LICENSE

SERVICES

- Premium Rate Services
- Card Payphone

- 15 years duration
- Initial License fee
- Annual License fee
- Type Approval
- Code of Commercial Practice
- Service Level Agreement



## CVAS REGISTRATION

SERVICES

- SMS Aggregator
- Voice Mail Service
- Content Provider
- Video Conferencing

- 5 years
- Registration Fee
- No Annual Fee
- Short Code Fee

## Requirements for CVAS License/ Registration



- Different Forms
- Processing Fee
- Registration with an Authorizing Body of GoP
- Copies of CNICs/ Passports
- Bio-Data
- Undertaking
- Business/ Financial Plan
- Technical Network Pan

## Number of Licenses/ Registrants


- 202 Data CVAS Licensees
- 181 Voice CVAS Licensees
- 82 Registrations

## Some VAS Licensing Examples

## AUSTRALIA

- The Australian Communication and Media Authority regulates Mobile Premium Rate Services.  
- All suppliers of mobile premium services need to provide details to Communication Alliance (an industry body) before starting its operations.
- The Mobile Premium Services Code: C637 2009 was prepared by Communication Alliance and approved by ACMA.
- This code applies to carriage service providers, aggregators, and content providers and its objective is to establish appropriate community safe guards and customer service requirements for Mobile Premium Services.

## Fixed Premium Rate Services

- The Telephone Information Services Standards Council (TISSC) is an independent regulatory body that regulates these services. 
- Services include listening to recorded information, talking to a live operator, selecting options from a recorded menu, or sending a fax.
- services are regulated under the **“TISSC Code of Practice”**.
- The code addresses issues such as service content rule, operational and consumer rules, privacy, advertising rules, complaints procedures and remedies.

## United Kingdom

**PhonepayPlus** is appointed by Ofcom to carry out the regulation of premium rate



- Premium rate service provider (including charities) need to register with it and submit and maintain accurate details of its services and numbers to PhonepayPlus .
- Services are regulated using **Code of Practice**.

Main features of code are fairness, consumer privacy, consumer complain handling and transparency regarding charges of services.

## Singapore

Value added service providers need a Service Based Operator (Class) license.



- SBO (Class) licensees need only to register with IDA.
- Code of practice for provision of Premium Rate of Services
- The main features of the code are transparency regarding prices, terms and conditions , advertising guidelines, opt-out procedures, timely billing and complaint handling.

## INDIA

There is no specific regulation for mobile value added services however TRAI has issued a number of directives regarding MVAS.

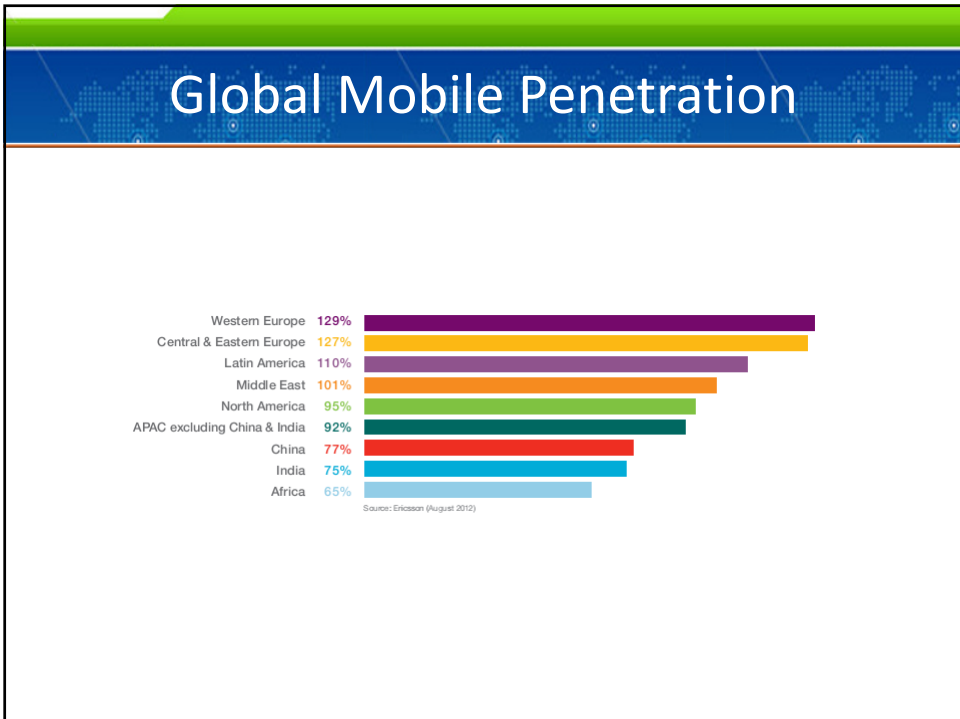
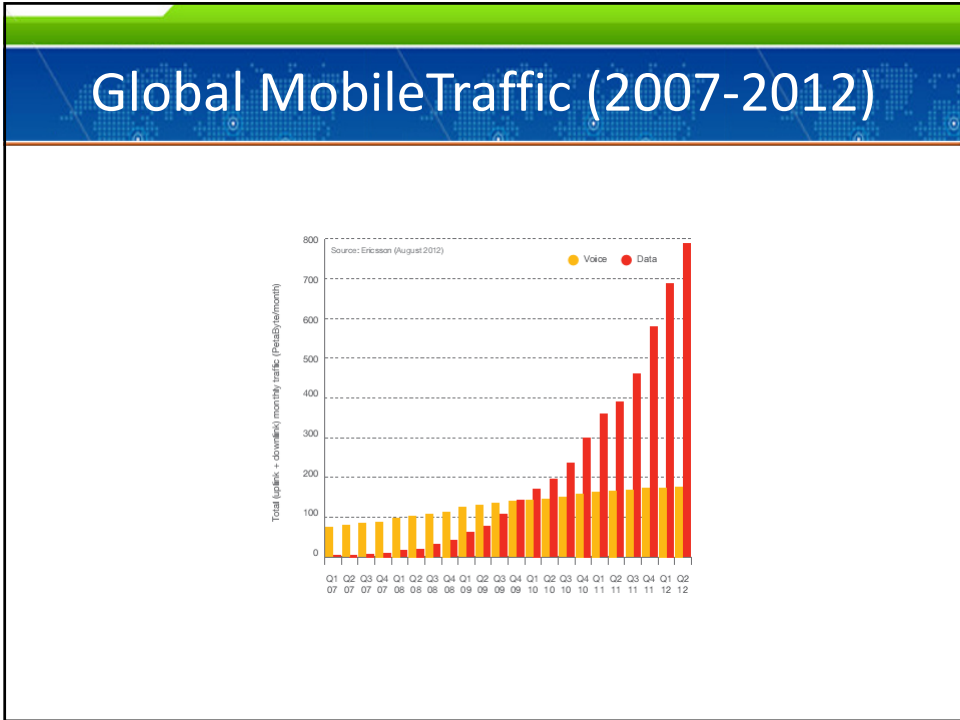


A few directives are as following

- publish tariffs in advertisements of VAS
- tariff must be conveyed to user before opt in for a service.
- Premium SMS should be on short code only

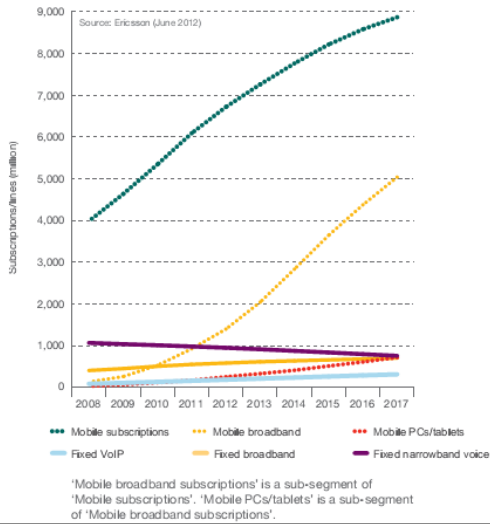
## Growth of VAS - Statistics

1. Global
2. Pakistan
3. M-Banking

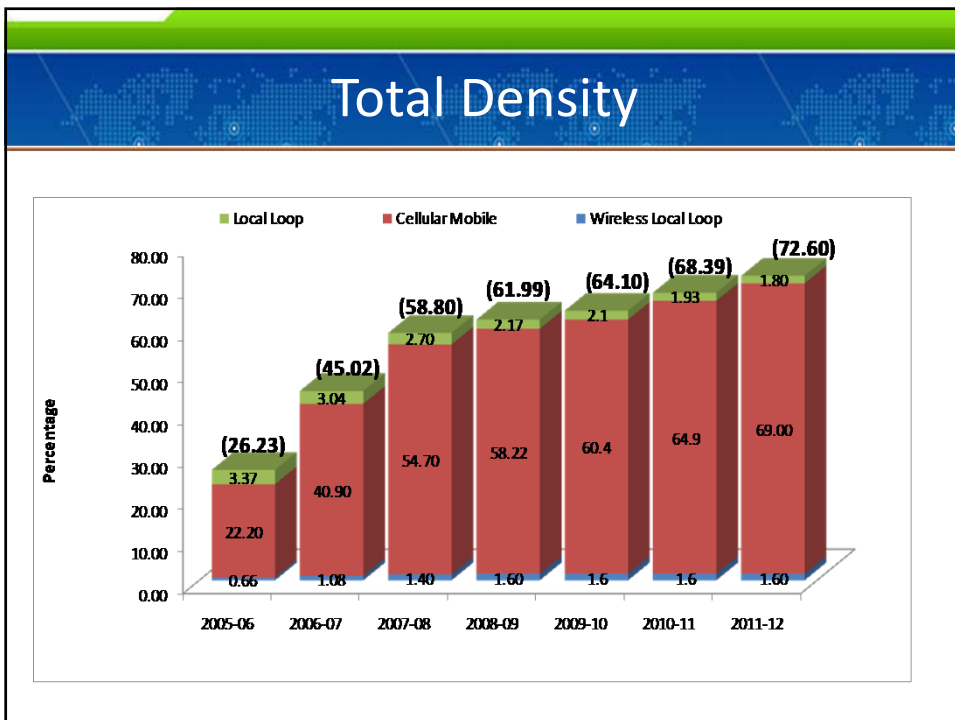
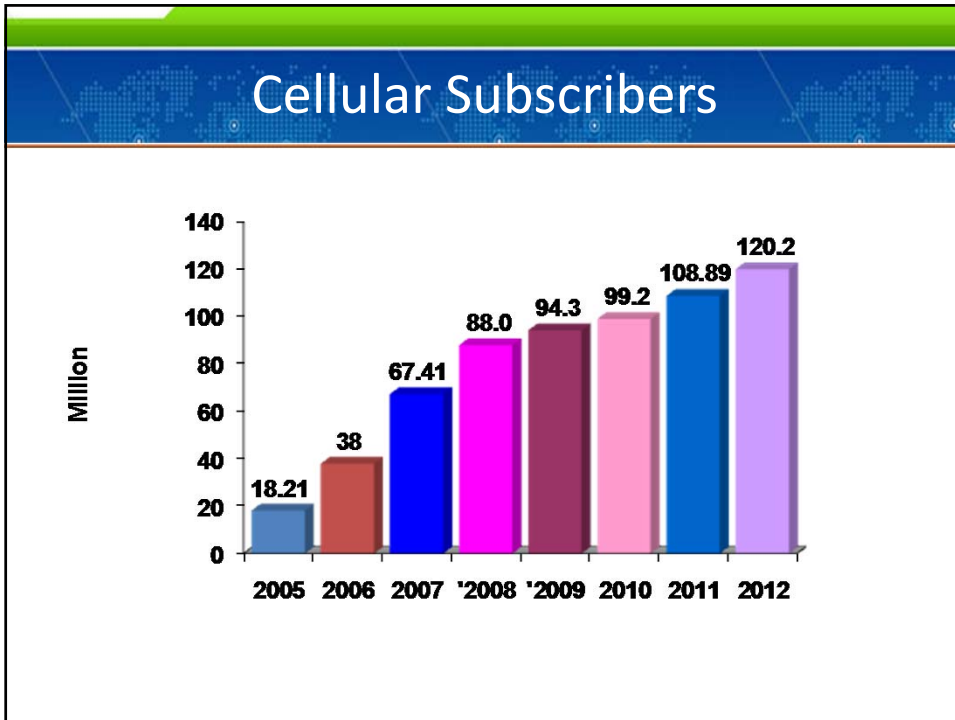


## Mobile subscription Outlook (2012-2017)

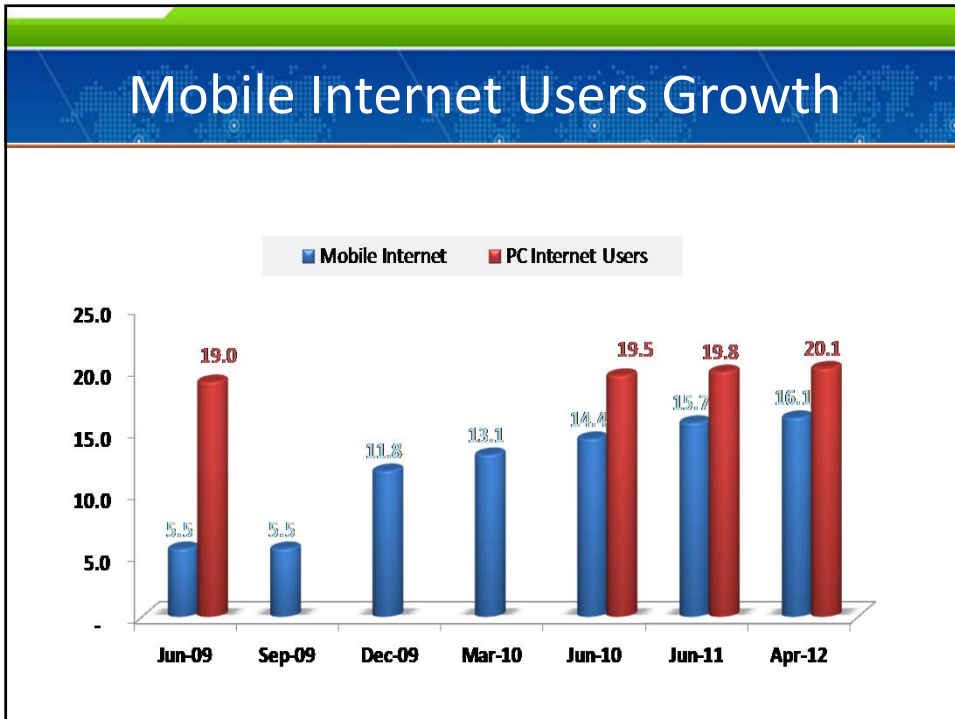
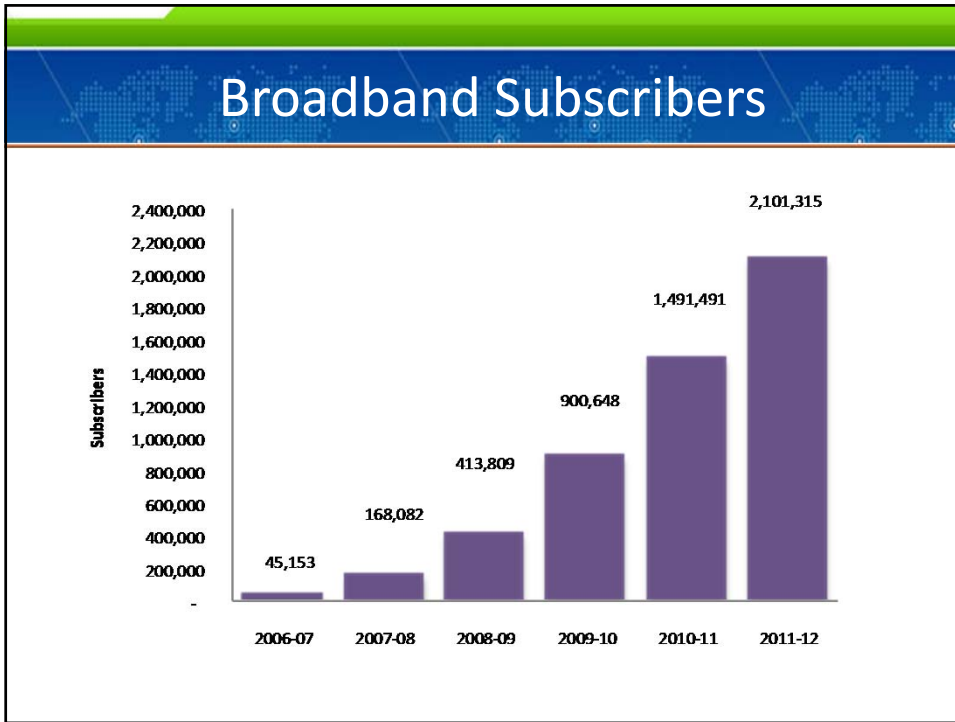
Figure 4: Fixed and mobile subscriptions 2008-2017



## Pakistan - Statistics



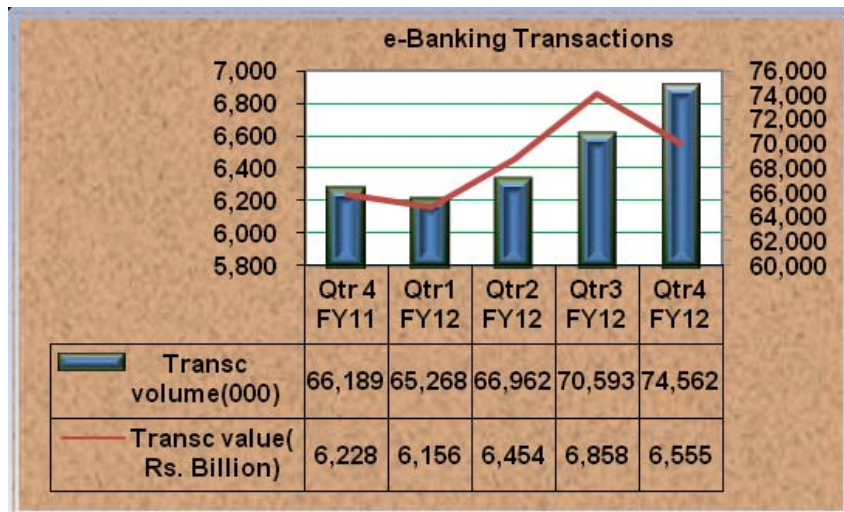




## E-Banking/ Mobile Banking Trend

- 59% of Global Internet Users check their Bank Account Details via Online Banking.
- More than 1 in 4 global internet users bank online.
- 73.5% of US customers use online banking.
- 10% of all Mobile Users will pay bills via their devices by 2016.

e-Banking Transactions



## Growth of VAS – Discussion and Recommendations

1. Factors affecting Growth
2. Issues
3. Recommendations

## FACTORS FUELLING THE GROWTH OF VAS

ARPU decrease and need for differentiation

Mobility

High Penetration Rate

Extensive network coverage

Increased Data Rates of Mobile Networks

Sophistication of Mobile Sets

Ease of Use

Social Media

## Issues

- Leverage of the Mobile Operators
- Fair Access
- Cooperation among different regulators
- Consumer Protection
- Transparency in sharing usage and billing information
- Copyrights
- Local Content
- Subscription and Un-subscription Procedure
- Issuance of Short Code
- Low End-Sets

## Discussion and Recommendations