

1. Value Added Service (VAS)

Traditionally, Value Added Services (VAS) have been defined as enhanced services, which add value to the standard or core tele-services offerings like voice calls and fax transmission. Typical examples of value added services include call related services such as call waiting, call forwarding, multiparty conferencing, voice mail, other services like email, Short Messaging Services (SMS), Multimedia Messaging Services (MMS) etc.

Currently, various Application Services (AS) are also being provided through the electronic communications network. While services like SMS, MMS on mobile phones, and data access and call related services both on wire line and wireless were usually considered supplementary services, in recent years SMS, MMS, call related services and data access have become standard services. Many more applications and services are being offered on telephone and these services continue to evolve with changing technologies.

The term VAS continues to be used for all kinds of applications being offered through the electronic communications network. Since most of the services offered pertain to content or application services, the term VAS needs to include all kinds of content and applications provided on the electronic communications network apart from traditional value added services. VAS, therefore, include any service beside the basic voice, data and missed call notification services that is run on the Public Communication Network Infrastructure by entities who are licensed or registered by the National Communications Authority (“the Authority”). In other words, a Value-Added Service (VAS) in the telecommunications industry is a term for non-core telecommunication services apart from standard voice calls and fax transmissions.

Industry data collected by the Authority indicate that mobile subscription is over one hundred percent penetration as against the national population. Therefore, any new service can generate significant addition to Average Revenue Per User (ARPU). VAS is one of the main areas driving additional growth of the market with the introduction of new products. VAS has become an additional source of revenue for mobile network operators.

Mobile phones are mainly used for basic services, though the technology and the existing infrastructure can be utilized beyond the basic services for different non-voice value added and data related services. Presently, value added services like SMS, Caller Ring Back Tones (CRBT) and some mobile financial services constitute another source of revenue for the mobile telecom operators. Nevertheless, in different countries, both developed and developing, it has been observed that after the early phase of telecommunication growth, the non-voice services have become the major driver for growth in the sector. There are a plethora of application services like gaming, video and audio streaming, stock quotes, news, sports updates, tele-voting, chatting, etc. that are becoming popular. Each service differs in content, cost and demand and is customized for different segment of consumers.

The following services are defined as VAS:

1. Payment System Providers
2. Marketing- Premium billed contest, subscription services, group functions, incentives and promotions
3. Advertising-Drive purchases to target markets

4. Commerce- Transaction fees for the redemption of coupons, point of sale purchases and micro payments (Mobile Payment Systems.
5. Bulk Text messages, Picture messages, Ring tones, Graphics, Games, Mobile Internet Sites, Videos, Multimedia, Call Directory and Call Centre services, Mobile health, mobile insurance, etc. [include the provisions of the L.I.1991}
6. All Services using or depending on Short Codes (ie. SMS, MMS, USSD based applications, etc.)
7. Special Numbering Service
8. Polls and Contests (i.e. e-voting,)
9. m-commerce (banking applications, mobile recharges, etc)
10. Intelligent Network (IN) Services (i.e. Call divert, DNB, etc)
11. Color Ring Back Tone (CBRT)
12. Location dependent services, etc.
13. Vehicle Tracking Services
14. Machine to Machine Communication Services

Please note that the above list is not exhaustive because of continuous innovation and the Authority shall continue to review the definition of Value Added Services with the evolution of technology.