



Guidelines for Telecommunication Value Added Services provided by Licensed Mobile Operators

Telecommunication Regulatory Commission of Sri Lanka

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1.Introduction

Value Added Services has been noted as a widely consumed aspect of overall services provided by telecommunications operators to its clientele. However, it has been noted that significant amount of customer complaints increasing over the years in terms of disputes of subscriptions as well as billing by the operators. With the above the regulator has initiated proceeding to ensure a stringent legal and regulatory framework for VAS for mandatory adherence by all telecommunications operators.

2.Objectives

- Ensuring consumer protection in terms of validating VAS subscriptions
- Ensuring a practical mechanism for unsubscribing VAS for subscribers.
- Introduction of Billing / Dispute Management process for consumer complaints for VAS.

3.Guidelines

This guideline is applicable for licensed mobile operators and should be adhered to strictly and any noncompliance would be deemed as a violation of the directives provided for consumer protection by the regulator in terms of VAS.

3.1 General Conditions

3.1.1 VAS Information

Operator should make available the VAS information in all three languages viz; Sinhala, Tamil and English and allow subscriber to choose the VAS information in a preferred language.

Before activating any type of VAS (USSD, IVR, SMS, Web based, etc.), operator should inform following information to the subscriber using subscriber's preferred language.

- (i) VAS name
- (ii) VAS terms and conditions (The direct link to T&C should be made available)
- (iii) VAS charges including TAX (Billing Frequency if Daily, Weekly, Monthly etc.)
- (iv) Subscription tenure of service (Daily, Monthly, Weekly etc.)
- (v) Deactivation method

No VAS may be promoted as being free if it involves any charges whatsoever to the consumer even at a later date. There should be no hidden charges. Any associated charges for services rendered should be clearly disclosed upfront at the point of subscription by the subscriber.

3.1.2 Activation / Confirmation Process of a VAS

3.1.2.1 Activation by Subscriber

Immediately after successful activation of any type of VAS (USSD, IVR, SMS, Web based, etc.) operator should send activation success confirmation SMS (using subscriber's preferred language) which should contain.

- (i) VAS name
- (ii) VAS terms and conditions (The direct link to T&C should be made available)
- (iii) VAS charges including TAX (Billing Frequency if Daily, Weekly, Monthly etc.)
- (iv) Subscription tenure of service (Daily, Monthly, Weekly etc.)
- (v) Call to Action: "Confirm to proceed" Seek subscriber confirmation through a return response through the applicable communication method.

3.1.2.2 Confirmation of Service

Based on a successful validation of activation of a service by a subscriber as per process noted on section 3.1.2.1, a reconfirmation should be initiated with an OTP mechanism (One Time Password) for reconfirmation of the subscription by the subscriber. **Please note the OTP verification is mandatory for any type of VAS activation. The OTP could be a 4-digit code that is generated randomly.**

3.1.3 Naming Convention of the VAS

Operator shall use the same name of the VAS that they have filed/will be filing in the future with TRCSL in all subscriber information sources including advertisements viz; OBD call, IVR, Activation successful confirmation SMS, Un-subscription successful SMS, Selfcare app, Operator web site etc.

3.1.4 Subscriber consent for activation

If the operator provides the VAS directly with their own content.

- First and second consent of the subscriber for activation of VAS should be obtained by operator through a dedicated consent gateway, which is owned by an Operator.
- Operator is not allowed to remove/delete first and second consent logs from the systems while a service is active and even after the subscriber de-activates the subscribed VAS. Log information should be retained for a minimum period of one (01) year or as deemed fit by the operator.
- Operator should keep all consent logs for reference/audit purposes and should be made available to TRCSL when requested.
- Operator should provide VAS information including logs if requested by the subscriber on a disputed service.
- Charging should only be applicable after receiving both confirmations.

If the operator is providing a VAS with the content obtained from a third-party content provider.

- First consent of the subscriber shall be obtained and stored as a log in the dedicated consent gateway owned by the third-party content provider as well as the operator.
- The second consent of the subscriber shall be obtained and stored as a log in a dedicated consent gateway owned by the operator.
- Operator is not allowed to remove/delete first and second consent logs from the systems while a service is active and even after the subscriber de-activates the subscribed VAS. Log information should be retained for a minimum period of one (01) year or as deemed fit by the operator.
- Operator should keep all consent logs for reference/audit purposes and should be made available to TRCSL when requested.
- Operator should provide VAS information including logs if requested by the subscriber on a disputed service.
- Charging should only be applicable after receiving both confirmations.

3.1.5 Renewal of VAS by Subscribers

All activated VAS enrolled to by the Subscriber, should be followed up with a message at each time the subscriber is charged based on the opted billing cycle (Daily, Weekly, Monthly). The message should include a link to unsubscribe the service based on the discretion of the subscriber. **This message is mandatory to be sent to all subscribers at the point of each recursive billing charge initiated on the subscriber. This should be retrospectively applied to all VAS activated previous to this guideline on subscribers.**

- i. Customers need to be given the different charging options (Daily, Monthly, Weekly) at the time of activation, clearly mentioning the amount and the tenure (renewal period) of the VAS.
- ii. Any VAS Charges applied on pre-paid wallets have to be informed to customers clearly mentioning the VAS used, charge applied and the method of unsubscribing at the time of charging the customer for the VAS (preferably via standard SMS or Flash SMS).

For Post-paid customers, the same information has to be clearly made available in the monthly bill as well as the message to be dispatched at the point of charging noted above.

- iii. All VAS service details should be made available across all self-care channels for customers to activate/deactivate using a smartphone or a featurephone.

3.1.6 Insufficient balance to activate the VAS (Pre-paid)

1. For New VAS Activations-Operator shall not activate a VAS if the account balance is insufficient to activate the VAS.

2. For Continuation of subscribed VAS

- (i) For daily billing – Operator should not deduct the VAS charges for the period of zero account balance. Daily charge should be deducted from the day that the account had been topped up.

(ii) For weekly billing - Operator should not deduct the VAS charges for the period of zero account balance. Weekly charge should be deducted for seven days from the day that the account had been topped up.

(vi) For monthly billing- Operator should not deduct the VAS charges for the period of zero account balance. Monthly charge should be deducted for one calendar month from the day that the account had been topped up.

3.1.7 Non sharing of subscriber information.

The Operators shall take all necessary organizational and technical measures and procedures to preserve and protect the confidentiality of information, and data of subscribers. Further, Operators should not share subscriber's ownership details including connection numbers with third-party content service providers without the express consent of the subscriber.

3.1.8 Activation/De-activation command of VAS

The activation/deactivation command should be common for any kind of VAS and could be operator specific. Any deactivation should be completed on a maximum of 1 hour.

3.1.9 Promotional SMS of VAS

Promotional SMS for any kind of a VAS should include following information.

- (i) VAS name
- (ii) VAS terms and conditions (The direct link to T&C should be made available)
- (iii) VAS charges including TAX (Billing Frequency if Daily, Weekly, Monthly etc.)
- (iv) Subscription tenure of service (Daily, Monthly, Weekly etc.)
- (v) Deactivation method

Operator should not continue to charge for a VAS on the case of a free trial period offered as part of a VAS promotion. On the completion of such free trial the standard process of subscriber activation as detailed on section 3.1.2.1 should be followed.

3.2 Specific Conditions

In addition to the conditions stipulated in the above item 3.1, following conditions are also applicable for each category specified below.

3.2.1 Web based VAS

- (i) 3rd Party Banner Based Activations: Under no circumstances should operators allow 3rd party web banner-based subscriptions, and no such entities should be allowed to bill subscribers for services unless such services are directly promoted as VAS by the operators based on above approved mechanisms taking full responsibility for such service offerings.
- (ii) The Subscription or Pay-per-use Buttons placed on Content Portals shall mention all charges clearly with a link to the full Terms and Conditions of the Service. Any such carrier billing

utilized through 3rd party native applications / web applications; the operators should take maximum measures to validate such web applications / native mobile apps to ensure that such providing entities adhere to stringent service guidelines without a discontinuation. It is imperative that the operators implement a validation framework for all such 3rd party apps / portals that carrier billing facilities are provided for.

- (iii) For Over-The-Top (“OTT”) service providers where the services are consumed either on-network OR off-network (E.g. Netflix, Spotify, Google DCB, Insurance) and where Carrier Billing is only used as a Payment Method, it shall be the responsibility of the Operator to enter into an agreement and implement a validation framework as noted above in sub section (ii) with such service providers subsequent to careful evaluation of the service provider’s charging models and authenticity of the company prior to engagement.
- (iv) All Content Portal Services (owned by operators) consumed on-network shall provide a suitable method of double-confirmation before the customer is “opted-in” to a subscription service.
- (v) Customer usage of such on-net service shall be monitored by all operators and it shall be the responsibility of each operator to apply a suitable cleansing process to remove long-term inactive customers either by their own initiative or through the respective service providers.
- (vi) Operator should make sure that the third-party content providers have proper algorithms to identify subscribers who have not utilized their VAS after activation.
- (vii) The operator is required to identify the capability of user device before activation of VAS as some devices will not support the VAS. The operator is required to obtain the initial subscription requests from the same channel used to consume the service (E.g. If it’s a web-based service subscriber has to arrive at the web portal to initiate the subscription).

3.2.2 IVR based VAS

- (i) Charges for IVR calls should be indicated to subscriber at the beginning of the call.
- (ii) Exit option of the IVR call should be indicated in the first loop. Inner loop should have exit option to main loop or complete exit.
- (iii) Deactivate/Unsubscribe option should be available in the main loop of IVR and any deactivation should be completed on a maximum of 1 hour.

3.2.3 USSD based VAS

If USSD used to deactivate the service, the unsubscribed option should be available in the main loop of USSD, and any deactivation should be completed on a maximum of 1 hour.

3.3 VAS Complains /Disputes/Redress.

- (i) For VAS complaints a dedicated team should be assigned and required options added to customer care IVR systems to have the option accessible on the main menu.
- (ii) For Pre-paid subscribers, If the subscriber disputes, and operator identified that VAS was activated without his/her consent the amount charged shall be refunded to the subscriber within three working days (for per day chargeable VAS) and within five working days (for other VAS) from the reporting date of the complaint.
- (iii) For Post-paid subscribers, If the subscriber disputes, and operator identified that VAS was activated without his/her consent the amount charged shall be refunded to the subscriber

within three working days (for per day chargeable VAS) and five working days (for other VAS) from the reporting date of the complaint. This correction should appear in the bill of the following month.

- (iv) In case of any kind of operational failures (system down, link fail etc.) of VAS and operator identified that the users had been charged during the failure, operator should refund appropriate amount for affected users mentioning the reason equivalent to the service down time.
- (v) Operators are required to submit to TRCSL the refunding mechanisms for Item (iii) above and should obtain approval before implementation.
- (vi) Operators are required to submit a comprehensive report on consumer complaint resolutions / status at the end of each month according to the format provided by TRCSL.

3.4 VAS QOS

3.4.1 Activation response time

- a). USSD based - between 30 ~40 s
- b). SMS based - not greater than 120s
- c). IVR based - not greater than 10 s

3.5 Revalidation of Existing Active VAS of Subscribers

- **All operators should take mandatory steps to ensure that all subscribers who has opted for any VAS (including 3rd party web banner-based subscriptions) is sent a message with a consolidated list of all such VAS opted in by the subscriber for their information with an option to un-subscribe based on the validation drive to be commenced at a date prescribed by the regulator. Based on the revalidation drive, a comprehensive report should be provided to the regulator on format prescribed of all discrepancies notified by subscribers.**
- Based on above revalidation process, a mechanism should be introduced for subscribers to record any discrepancy they may want to escalate to the operator. Based on such discrepancies notified, a dedicated team should be setup by all operators to rectify / consider complaints made by any subscriber.
- Furthermore, a short code / SMS service should be introduced to ensure that a subscriber could check on all VAS subscribed at any point and an easy mechanism to unsubscribe. This service should be implemented within thirty (30) days from the date of receipt of this guideline.
- It is mandatory that the VAS services that are subscribed should be easily accessible on Selfcare Apps / Customer Web Portal for viewing services that are opted for and to provide unsubscribe facilities.

4.Abbreviations

IVR-Interactive Voice Response

OBD-Out Bound Dialing

OTP-one time password

OTT-Over The Top

QoS -Quality of Service

SMS -Short Message Service

T&C -Terms and Conditions

TRCSL-Telecommunications Regulatory Commission of Sri Lanka

USSD – Unstructured Supplementary Service Data

VAS-Value Added Service