

STATUTORY INSTRUMENTS SUPPLEMENT  
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S T A T U T O R Y   I N S T R U M E N T S

2019 No. 89

THE UGANDA COMMUNICATIONS (PRICING AND  
ACCOUNTING) REGULATIONS, 2019

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# STATUTORY INSTRUMENTS

2019 No. 89

## **The Uganda Communications (Pricing and Accounting) Regulations, 2019.**

*(Under section 5(1)(e) and (y) and 93 of the Uganda  
Communications Act, 2013, Act 1 of 2013)*

IN EXERCISE of the powers conferred upon the Minister by section 93 of the Uganda Communications Act, 2013, and in consultation with the Commission, these Regulations are made this 5<sup>th</sup> day of July, 2019.

### **PART I — PRELIMINARY**

#### **1. Title.**

These Regulations may be cited as the the Uganda Communications (Pricing and Accounting) Regulations, 2019.

#### **2. Application of Regulations.**

These Regulations apply to the pricing of communications services and accounting by operators under the Act.

#### **3. Objective of Regulations.**

The objective of these Regulations is to establish a framework for the efficient and reasonable cost-oriented pricing of communications services through measures that—

- (a) ensure that prices charged to consumers are reasonable and efficient, cost-oriented, non-discriminatory and reflect optimum consumer satisfaction;
- (b) ensure the promotion of operation efficiency and resource utilisation;

- (c) ensure the disclosure of accounting information and records as a basis of deriving or determining cost-oriented prices;
- (d) establish an accounting system in the communications sector that is consistent, reliable, comparable and stable in financial reporting;
- (e) require operators to implement a transparent cost accounting system and costing framework, reflecting the costs of efficient service provision;
- (f) promote fair competition by ensuring that charges are cost-oriented, transparent and non-discriminatory; and
- (g) regulate pricing for communications infrastructure to ease interconnection, collocation, provision of access and sharing where applicable.

#### **4. Interpretation.**

In these Regulations, unless the context otherwise requires—

“Act” means the Uganda Communications Act, 2013;

“access means access to a communication network or communications services;

“call” means a demand to establish a connection over a communications network;

“charge” means the price for services based on pricing rates;

“Commission” means the Uganda Communications Commission established under the Act;

“communications” means Telecommunications, data communication, radio communications and postal communications; and includes broadcasting;

“communications services” means services performed, consisting of the dissemination or interchange of audio, visual or data content using postal, radio or communications media and data communication; and includes broadcasting;

“consumer” means a final user of communications apparatus, communications services or value added services or a customer; and includes a purchaser for value of communications apparatus or communications services regulated by the Commission under the Act; but does not include an operator, wholesaler or retailer of communications apparatus or communications and value added services;

“currency point” has the value assigned to it in the Schedule to these Regulations;

“International Accounting Standards” means the common set of accounting principles, standards and procedures set or approved by the Council of the Institute of Certified Public Accountants of Uganda that operators and other licensed entities use to record and report their accounting information and compile their financial statements;

“operator” means a person licensed to provide a communications services or broadcasting service;

“pricing” means charges by operators to consumers, other operators, access seekers or any person authorised by the Commission to buy or sell communications services on a communications platform;

“promotion or temporary pricing” means pricing offered to consumers for a period not exceeding 90 days.

## **PART II—DETERMINATION AND REGULATION OF PRICING**

### **5. Regulation of retail and wholesale pricing.**

(1) The Commission shall regulate retail and wholesale pricing of all communications services in Uganda in accordance with section 5 (1) (e) of the Act.

(2) Wholesale pricing in subregulation (1) includes pricing for bulk access to any communications infrastructure, including network access, content sharing and access to customer data.

(3) All retail and wholesale prices offered by operators and payable by consumers for communications services shall be approved by the Commission.

(4) All prices proposed to the Commission to be charged by an operator shall, subject to these Regulations, be cost oriented.

(5) The Commission shall determine whether the prices proposed to be charged by an operator are just, reasonable and non-discriminatory in accordance with the criteria specified by the Commission for setting the tariff, if any.

(6) The Commission shall publish all retail prices referred to in subregulation (3) in a newspaper and any other media of national circulation, at least once in every three months.

(7) The maximum pricing for calls to toll free numbers shall be zero shilling to the subscriber.

(8) Every operator shall, in determining its rate structures for prices as cost justification comply with the following—

- (a) rate structures for the same or comparable services shall be integrated and internally consistent with one another so that the same or similar prices are charged to consumers for the same or comparable services;
- (b) rate elements shall be selected to reflect market demand, pricing convenience for the operator and consumers and other cost characteristics;
- (c) rate elements which appear separately in one rate structure shall appear separately in all other rate structures;
- (d) rate elements shall be consistently defined with respect to underlying service functions and shall be consistently employed through all rate structures;
- (e) rate structures shall be simple and easy to understand; and
- (f) for bulk services, including purchase and sale of communications services for resale, bulk access, interconnection, access, data sharing and access to consumer data, pricing shall not include minimum purchase quotas whose net effect is to make pricing prohibitive, predatory or both.

(9) Calls to emergency numbers, using short codes or otherwise, shall, at all times, be free of charge to the consumer.

**6. Billing of calls.**

The operator shall bill all consumers cost per second, except for promotional calls.

**7. Billing and metering accuracy.**

(1) The Commission shall, in carrying out surveillance on pricing and rate structures, regularly audit all operators for billing and metering accuracy to protect consumers from overcharging, overbilling and fraudulent charges.

(2) The Commission shall, in carrying out its functions under the Uganda Communications (Intelligent Network Monitoring system) Regulations, 2019, install equipment to monitor all communications traffic to verify reporting, billing and metering accuracy.

(3) Where an inaccuracy is detected by the Commission, the operator shall take immediate corrective action, including putting an immediate stop to such activity, refunding any excess funds collected from consumers and any other action as the Commission may determine and direct.

**8. Tollfree calls.**

(1) Every telecom operator shall carry the following calls free of charge to the consumer—

- (a) emergency codes including 911, 112 and any other emergency codes published during an emergency for access to emergency safety services by the public; and
- (b) specified government services in the 900XXX series and the list of codes shall be published annually by the Commission in the Gazette, informing the public which services can be accessed by dialling the series.

(2) Every telecom operator shall file with the Commission a return at the end of each month or within such other period as may be determined by the Commission, containing the total number of completed calls, blocked calls and dropped calls.

**9. Filing of pricing notifications and approval.**

(1) An operator shall file with the Commission—

- (a) notification of all prices for retail services; and
- (b) any changes to the prices, at least five working days before they are to be implemented.

(2) An operator shall file with the Commission a temporary, promotional or permanent pricing plan for approval before the prices come into effect.

(3) The Commission shall, within five days after receiving a pricing plan submitted under subregulation (2), approve or reject the plan.

(4) Where the Commission does not communicate to an operator its decision under subregulation (3) within five working days, the Commission shall be deemed to have approved the temporary, promotional or permanent pricing.

(5) Notwithstanding the subregulation 4 the commission may at any time intervene where the temporary promotional or permanent pricing plan imposes on competition of consumers interests.

(6) An operator who fails to file a notification under subregulation (1) commits an offence and is liable, on conviction, to a fine not exceeding forty eight currency points or imprisonment not exceeding twenty four months, or both.

**10. Reports by operators.**

Every operator shall submit to the Commission a monthly operational report, not later than the 15<sup>th</sup> day of the month following the reporting month.



## **11. Records.**

(1) An operator shall keep financial records in accordance with the International Accounting Standards and International Financial Reporting Standards as applicable in Uganda.

(2) The Commission may issue guidelines to operators for the keeping of financial records for purposes of subregulation (1).

(3) The financial records of an operator shall be kept with sufficient detail to show fully the facts pertaining to all entries in the accounts, and the detailed records shall be filed in a manner that is readily accessible for examination by the Commission.

(4) An operator shall keep all its financial records at its registered office for a period of seven years.

## **12. Financial statements.**

(1) Every operator shall prepare and publish audited books of account and annual financial statements in accordance with the prevailing International Financial Reporting Standards to reflect the true and fair view of their financial position and performance at the time of preparation of the accounts.

(2) Every operator shall prepare and publish financial statements to reflect the financial position, changes in financial position and performance.

(3) The Commission shall require all operators to submit periodic operational reports, financial statements and cost accounting information in accordance with guidelines issued by the Commission.

(4) The Commission may conduct audits and field inspections without notice and may publish the results of the audit in a newspaper or other media of national circulation.

(5) The Commission may, by notice in the Gazette, impose additional disclosure requirements for national telecommunications operators listed on a stock exchange under the Uganda Communications (Licensing) Regulations, 2019.

### **13. Collection and remittance.**

(1) Every operator shall submit to the Commission unaudited full year financial statements, no later than January 31<sup>st</sup> of the following year.

(2) The unaudited statements submitted under sub-regulation (1) shall be accompanied by the gross annual revenue levy self-assessed by the operator at the rate imposed by the Commission under section 68 of the Act.

(3) Every operator shall submit to the Commission, audited financial records not later than April 15<sup>th</sup> of each year.

(4) Where the final full year payment of the gross annual revenue levy carries a positive balance, the positive balance shall be carried forward to the next financial year.

(5) Where the final full year payment of the gross annual revenue levy carries a negative balance, the negative balance shall be paid in full and submitted at the time of filing the final audited year financial records under subregulation (1).

### **14. Requirement for segregated accounts.**

(1) The Commission may require an operator to prepare and submit segregated accounts for each of its activities, as though the activities were carried out by legally independent companies.

(2) The Commission shall issue a notice to an operator subject to the requirement under subregulation (1), setting out the details of the accounts.

(3) An operator notified under subregulation (2) shall comply with accounting separation guidelines issued by the Commission from time to time.

**15. Interest and penalties.**

(1) The Commission shall charge interest for any unpaid assessments under regulation 10 at the rate specified in the Uganda Communications (Fees and Fines) Regulations, 2019.

(2) The Commission may revoke a licence or refuse to renew the licence of an operator for late or nonpayment of monies due to the Commission under regulation 10.

**16. Offences.**

(1) An operator commits an offence who—

- (a) fails to file pricing notifications under regulation 9;
- (b) submits false statements, records or documentation under these Regulations;
- (c) fails to submit information requested by the Commission;
- (d) fails to keep records under regulation 11;
- (e) fails to submit a report under regulation 10; or
- (f) fails to publish books of accounts and financial statements under regulation 12.

(2) A person who commits an offence under subregulation (1) is liable, on conviction, to a fine not exceeding forty eight currency points or imprisonment not exceeding two years or both.

(3) Failure to comply with the requirements of these Regulations is a serious breach and constitutes grounds for revocation of a licence under section 41 of the Act.

**17. Revocation of S.I No. 27 of 2005.**

The Communications (Tariffs and Accounting) Regulations, 2005 are revoked.

**.SCHEDULE**

*Regulation 4*

**CURRENCY POINT**

A currency point is equivalent to twenty thousand shillings.

**Cross References**

Uganda Communications (Intelligent Network Monitoring Solutions) Regulations, 2019.

Uganda Communications (Fees and Fines) Regulations, 2019.

Uganda Communications (Licensing) Regulations, 2019.

Uganda Communications (Quality of Service) Regulations, 2019

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