TELECOMMUNICATIONS MARKET STRUCTURE

	Licence Category/Authorization	Scope of Licence and inclusions and/or special restrictions	Licence Term (Years)	Application Fees	Initial Licence Fees (Kshs.)	Annual Operating Fees (Kshs.)	Access Spectrum Acquisition Methodology	Applicable Annual Spectrum Fees (Kshs.)	REGULATORY IMPACT ASSESSMENT
A	**INFRASTRUCTURE LICENCES**								
A.	Network Facilities Provider – Tier 1 Licence	This licence allows a licensee to deploy communication infrastructure, using any technology, countrywide with the distinction that it is the only Licence allowed for national access spectrum reservation, subject to the provisions of the National Table of Frequency Allocations, particularly for the mobile services deployment. Holders of this Licence shall be permitted to establish commercial data centres without the need for additional Licence.	15 or an optional 25-year term	5,000	15,000,000 or 45,000,000 for an optional 25-year term	0.4% of Annual Gross Turnover or Kshs. 4 million, whichever is higher.	Bid/Assessed Price for specific frequency spectrum for exclusive countrywide utilisation	a. Initial Spectrum fees b. Annual Spectrum Reservation fees c. Annual Spectrum Utilization Fees based on Transmitters/Bandwidth/Coverage	The increase of licence term from 15 to 25 years provides a longer investments period and will provide more certainty to investors.
A.	Network Facilities Provider – Tier 2 Licence	This licence category allows a licensee to deploy communication infrastructure countrywide, using any technology, only that spectrum assignment is limited to successive assignment on a county-by-county basis, based on successful deployment in any previously assigned county(ies). Data Centres will be licensed under this category. Entities already licensed under this category shall be permitted to establish commercial data centres without the need for additional Licence.	15	5,000	15,000,000	0.4% of Annual Gross Turnover or Kshs. 800,000.00, whichever is higher.	Bid/Assessed Price for specific frequency spectrum for exclusive county utilisation based on Case-by-Case approvals for county-by-county spectrum deployment, without ultimate nationwide access spectrum holding	Annual Spectrum Utilization fees based on Transmitters/Bandwidth/Coverage within approved regions only	Data Centres will be licensed under this category. Entities already licensed under this category shall be permitted to establish commercial data centres without the need for additional Licence.

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A.	Network Facilities Provider – Tier 3 Licence	This licence allows a licensee to deploy communication infrastructure within a specific county(ies) using any form of technology, up to a maximum of three counties. -Any NFP-T3 Spectrum assignment is limited to successive assignment on a county-by-county basis, based on successful deployment in any previously assigned county(ies). -The holders are also allowed to build and lease towers, inter-link their infrastructures in contiguous counties, establish satellite hubs, within their counties of jurisdiction, provided the VSAT terminals are limited to the licensed counties. -Licensee that desires to operate beyond three counties is required to upgrade their Licence to an NFP-T2 Licence. -Downgrade to MNSP is not allowed due to hybrid nature of MNSP.	15	5,000	200,000	0.4% of Annual Gross Turnover or Kshs. 160,000.00, whichever is higher.	Bid/Assessed Price for specific frequency spectrum for exclusive county utilisation based on a case-by-case approvals for county spectrum deployment up to a maximum of three counties	Annual Spectrum utilization fees based on bandwidth and coverage	The changes to NFP-T3 align the licence to Unified Licensing Framework principle of Technology Neutrality and ensures consistency in the market for parity regulation. Create more opportunities by allowing NFP-T3 operators to utilise satellite technology and to develop towers for lease to third parties. NFP-T3 limited to three (3) counties.
A.	Micro Network and Service Provider Licence (MNSP)	This licence allows a licensee to deploy communication infrastructure and provide services within one specific county, as specified during the Licensing process, using any form of technology. Spectrum is also allocated regionally. Spectrum assignment is limited to one county. Any MNSP Licence holder that desires to operate in more than one county is required to apply for an	15	2,000	25,000	0.4% of Annual Gross Turnover or Kshs. 25,000.00, whichever is higher.	Assessed Price for specific frequency spectrum for exclusive county utilisation	Fees based on bandwidth and coverage	The introduction of the MNSP will address the current connectivity gaps not addressed effectively by the current operators. This targets investors who can invest within limited-service areas from Residential estates upto county level, hence enhance standards of networks deployed and mitigate the presence of illegal service providers. It will also increase

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		upgrade to NFP-T3 or NFP-T2, based on their declared need. Services under this licence include but are not limited to voice, data, Internet, but excludes data centres and services whose scope go beyond one county, such as MVNO/MVNE, vehicle tracking services. The services are all communication services except services that entail delivery of content to end-users. Resources applicable to this licence are numbering resources both for customers and for network nodes.							competition in service provision with the net effect of lowering cost of services to consumers
B	**INFRASTRUCTURE & SERVICES LICENCES**								
B.	Private VSAT Licence (Operated through Foreign Hub Operators)	This licence permits the holder to install and/or operate a Very Small Aperture Terminal (VSAT), provided by an operator that operates a foreign Hub, i.e., not located in Kenya, for its own use	10	1,000	N/A	100,000 per VSAT Terminal	N/A	Based on bandwidth	No change on this category
B.	Community Network and Services Provider Licence	This Licence authorizes the holder to construct, install and operate electronic communications systems and provide services to a geographically bounded community or any group of persons or sector of the public having a specific, ascertainable common interest. The Geographic coverage area of operation shall be defined in terms of unit areas represented by administrative Division boundaries and as may be amended upon request and approval by the Authority from time to time and shall be restricted to covering not	10	1,000	5,000	N/A	Administrative authorization of spectrum for non-protected wireless access within a sub-county	No fees for non-protected access to lightly licensed and licence-exempt frequency bands by wireless access systems	No change to this category

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		more than an administrative sub-location. The licensee is also free at any time to expand the coverage area by applying for an upgrade of the license to MNSP, Tier 3, Tier 2, or Tier 1. In the event of such an upgrade, the licensee is required to pay the difference in the initial operating fees between the CNSP license and the relevant Tier license This licence excludes Commercial Data Centres.							
C	**INTERNATIONAL INFRASTRUCTURE & SERVICE LICENCES**								
C.	Landing Rights Authorization	The landing rights authorization permits the transmission of telecommunication signals to Kenya to facilitate international connectivity between Kenya and the rest of the world. This is achieved through satellite foot prints and/or a landed submarine cable and its power feed equipment in Kenya. The licence also allows establishment of a transit cable to neighbouring landlocked countries. The holder of the authorization may establish a landing station facility, provided that all other equipment including Submarine Line Terminal Equipment and commercialization of the service or cable capacity and cross-connects are out of scope of this licence.	15	USD 500	USD 25,000	N/A	N/A	N/A	The creation of this new licence category will remove barriers by separating Landing Rights Authorisation (LRA) from IGSS (International Gateway Services and Systems). It creates opportunities by providing technology neutral LRA licence to enable an operator to handle Satellite, Cable and terrestrial technologies within a single licence. It has the potential to spur investments and job creation as investors consider Kenya as investment friendly destination. Further, it will support our landlocked neighbouring countries as Kenya positions itself as a regional hub and transit to the neighbouring countries
C.	International Gateway Systems and Services	This licence allows for the establishment and operation	15 or	5,000	15,000,000 or	0.4% of Annual Gross	N/A	N/A	The modification of this licence to be technology

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	Licence	of international gateway/systems and to provide international gateway services using satellite communication systems and services across the globe or terrestrial systems across contiguous countries to Kenya. The holder of the licence shall establish facilities in Kenya that include a satellite earth station, a submarine landing station facility and equipment including Submarine Line Terminal Equipment, cross-connect facilities and commercialization of submarine cable capacity in Kenya. The Switching/Routing and the Network Control/Operation Centre must be located in Kenya.	an optional 25-year term		45,000,000 for an optional 25-year term	Turnover or 4,000,000.00, whichever is higher.			neutral aligns the licence with ULF principles. The provision for this licence for establishment of Landing Station/operating the landing station equipment like the submarine line terminal equipment, cross-connects and commercialization of the submarine cable capacities locally, aligns with the provision of the section 24 of KICA, 1998 It will also make it easier for the consortia looking to land submarine cables in Kenya an easy investment and operations options.
D	**SERVICE LICENCES**								
D.	Applications Service Provider (ASP) licence	This licence allows a licensee to provide any form of service to end users using the infrastructure leased from any of the above NFP-Tx Licensees. Such services include, all end to end services, but are not limited to voice, data, Internet, vehicle tracking services, mobile virtual network operators/enablers etc. A letter from MNOs will; not be a requirement to issue an ASP to offer MVNx services. Examples of other services under this Licence category include but are not limited to; dot KE ccTLD **Registry** services; and internet of things (IoT) Services, provided that	15 or an optional 25-year term	5,000	100,000 or 250,000 for an optional 25-year term	0.4% of Annual Gross Turnover or Kshs. 80,000.00, whichever is higher.	N/A	N/A	The change in this licence category, is to expand the scope to include IoT services and remove barrier to ASPs seeking to offer MVNx services. The removal of MNOs' support letter as requirement for MVNx service applicant, will remove the gate keeping scenario and reduce barriers to entry for the MVNx service applicants.

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		satellite-based IoT and GMPCS services shall be coupled with a Landing Rights Authorization; The services envisaged under this Licence are all communication services except services that entail delivery of content to end-users. Resources applicable to this licence are numbering resources both for customers and for network nodes.							
D.	Content Service Provider (CSP) Licence	This licence allows a licensee to provide content related services to end users who are customers of application service providers. Content service providers use the infrastructure of Network Facilities Providers and the systems of the Application Service Providers to reach their customers. The services offered by content service providers are of information, entertainment, education, health, social etc nature that can either be text, voice, video clips delivered to a customer's mobile device on request or as subscribed to by the customer.	15 or an optional 25-year term	5,000	100,000 or 250,000 for an optional 25-year term	0.4% of Annual Gross Turnover or 80,000.00, whichever is higher.	N/A	N/A	No change for this category
D.	Electronic Certification Service Provider (E-CSP)	The licensees under this category is for the provision and management of electronic signatures and inherently includes dot KE ccTLD **Registrar** services	15	5,000	100,000	0.4% of Annual Gross Turnover or Kshs. 80,000.00, whichever is higher.	N/A	N/A	No change for this category
D.	Dot Ke Sub-domain Name Registrar Service Provider	This licence allows for the provision of dot KE ccTLD **Registrar** services for sub domains under the Dot KE ccTLD.	15	N/A	10,000	3,000	N/A	N/A	No change for this category
D.	Communications Equipment Distributor (CED) Licence	The scope of the CED Licence includes the supply (including importation and	15	5,000	250,000	0.4% of Annual Gross Turnover or	N/A	N/A	This change of separating the Installation and maintenance from

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		purchase from local communications Equipment manufacturers) and sale of telecommunication equipment and devices (both ordinary terminal equipment and complex network equipment) and provision of after-sales support through the supply of spares to vendors that purchase from them. The CEDs are to ensure that all the equipment they distribute or sell are type approved. The CED Licence does not however include installation and maintenance activities in its scope of services.				120,000.00, whichever is higher.			importation, distribution/sale of equipment requiring local vendors to obtain type approved communication equipment from CEDs will facilitate adherence to standards in the mobile phone sale business and avoid proliferation of sub-standard mobile phones and equipment in the market.
D.	Communications Equipment Contractor (CEC) Licence	This licence allows for the supply, installation and maintenance of communication infrastructure for third party infrastructure or service providers like NFPs, IGSS, SCLR or private network operators. The communication contractor does not own the resultant infrastructure. Where CECs require to source type-approved equipment, for installation and maintenance of third-party infrastructure providers, they shall do so from Licensed Communications Equipment Distributors and therefore they are not authorized to import equipment under this Licence. CECs that desire to import equipment are required to obtain a CED Licence to import such equipment.	15	1,000	10,000	0.4% of Annual Gross Turnover or 10,000.00, whichever is higher.	N/A	N/A	The removal of requirement for technical personnel letter as a pre-requisite to issue a licence to a Communication Contractor will remove barriers that have been a challenge for many applicants. On the other hand, the requirement that every work undertaken by CEC be certified by licensed technical personnel will ensure: a) The role Technical personnel remains relevant b) The communication installations are duly supervised and certified by competent personnel
D.	Communications Equipment Vendor (CEV) Class Licence	This is a class Licence that allows for the supply and maintenance of low power	N/A	N/A	N/A	N/A	N/A	N/A	The change from individual licence to class licences for this category will

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	communication devices, mainly end-user devices such mobile phones, set top boxes, remote devices, tracking devices etc. CEVs are however, required to source type-approved equipment from Licensed Communications Equipment Distributors and therefore not authorized to import equipment under this Licence. CEVs that desire to import their own equipment are required to obtain a CED Licence to import and seek type approval for such equipment. This class Licence is a Licence that is not issued to individual suppliers of communication equipment to the public. Instead, the terms and conditions governing the supply of communications equipment under the Licence are to be published in the Kenya Gazette and on the Authority's website. This publication enables any individual or entity seeking to provide the service to familiarize themselves with the Authority's requirements in relation to the provision of the service(s). By offering services within the scope of the Class Licence, an entity is automatically subject to the terms and conditions set out in that Class Licence. Upon publication in the Kenya Gazette, the terms and conditions set out in the Licence take effect as prescribed in the Gazette notice.							significantly reduce regulatory burden occasioned by huge number of vendors. It will also make it easy to enforce the licence against defaulters as opposed to individual licensing that was not readily obtainable by all vendors in the market.

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D.	Public Communications Access Centre (PCAC)	This shall be a class Licence that authorizes the provision of communication services to the public by setting up cyber cafés, telephone bureaus, community payphones or any other services as may be determined by the Authority from time to time. This is a Licence that is not issued to individual providers of internet café services. Instead, the terms and conditions governing the provision of internet café service under the Licence shall be published in the Kenya Gazette and on the Authority's website. This publication shall enable any individual or entity seeking to provide the service to familiarize themselves with the Authority's requirements in relation to the provision of the service(s). By offering services within the scope of the Class Licence, an entity automatically becomes subject to the terms and conditions set out in that Class Licence. Upon publication in the Kenya Gazette, the terms and conditions set out in the Licence shall take effect as prescribed in the Gazette notice.	N/A	N/A	N/A	N/A	N/A	N/A	The change from individual licences to class licence for this category will significantly reduce regulatory burden occasioned by huge number of vendors selling communication equipment. It will also make it easy to enforce the class licence against defaulters as opposed to individual licensing that was not readily obtainable by all vendors in the market.
D.	Business Processes Outsourcing (BPO) Licence	This is a Licence issued to entities that intend to provide both back-office and front-office business support services from locations within the country to other entities/businesses, within or outside Kenya.	15	N/A	10,000	3,000/-	N/A	N/A	The introduction of annual fees to this licence category will ensure that there is continuous regulatory oversight over the BPOs as opposed to the current situation.

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D.									
E	**Technical Personnel Licences**								
E.	Telecommunications Engineering Personnel Licence	This is a licence issued to an individual deemed to be technically qualified to carry out installation and maintenance of communication infrastructure for third-parties. The kind of technical installation works under this Licence category shall include Installation (I), Maintenance (M), Internal Wiring (W) and External Wiring (E) in relation to telecommunication systems and is issued in one of three possible Class A, Class B and Class C, for Degree, Diploma and Certificate holders respectively, depending on the level of qualification of the person. This Licence is issued to applicants that hold academic qualifications in Electrical and electronics Engineering, telecommunications or equivalent.	10	500	1,000	500	N/A	N/A	No change in this licence category
E.	Telecommunications Systems Professionals Licence	This is a licence issued to an individual deemed to be technically qualified to carry out installation and maintenance of Local Area Networks (LANs) using specialized IP networking devices. This Licence is issued in one of three possible Class A, Class B and Class C, for Degree, Diploma and Certificate holders respectively, depending on the level of qualification of the person, to holders of academic	10	500	1,000	500	N/A	N/A	The change and introduction of the different licence categories, in recognition of different qualifications widens the target applicants to include Information Technology (IT) professionals which have been excluded in the previous market structure.

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		qualifications in Information Technology (IT) and related fields, with suitable IT qualifications and certifications from Original Telecommunications Equipment Manufacturers.							