

## A monthly agreement

By virtue of this agreement, the user owns the handset while the network-provider provides him/her with a network connection.

## Pre-paid contracts

### A pre-paid 'Pay-As-You-Go' agreement

Pre-paid services allow consumers to pay for their usage in advance. Access to the network is activated when credit ('air-time') is loaded on to the telephone line. Loading is usually accomplished by means of 'scratch-cards', which are offered in a wide range of monetary denominations and are widely available. Instructions as to how to use the 'scratch-card' are provided on the cards.

**Note:** call charges for pre-paid services differ between network providers, thus the relative benefits should be examined in advance.

## The mandate of the Authority

The regulation of telecommunication tariffs in Kenya is one of the core mandates of the Authority. Such regulation entails the preparation of guidelines, which are designed to ensure that service providers set their tariffs within a competitive framework, thus guaranteeing optimum value for money for consumers.

## Need to know more?

For further information on the above topic or any other aspect of health and safety with regard to communication equipment, please contact:

**Disclaimer:** While every attempt has been made to ensure that the information included in this document is accurate, it is intended ONLY as a guideline towards the safe operation of communications equipment and should not be regarded as (or used in lieu of) legal advice. The Communications Authority of Kenya will not, therefore, accept any liability for the consequences of any actions taken, or decisions made upon the information offered.

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# Telecommunication Tariffs



This brochure has been developed as part of the **Consumer Education Programme** of the **Communications Authority of Kenya (CA)**. It was compiled as a result of a review of material from various sources and presents the current perception of the information available on telecommunication tariffs in Kenya.

## Tariff plans

Tariff plans are the different billing schemes offered by network providers that specify the prices users will be charged for the use of their networks.

Some tariff plans are based on a fixed-rate regardless of whether the call is made at peak times or not -while others are based on peak and off-peak rate.

A number of tariff plans offered in Kenya, feature one or more of the following:

- Flat-rate or dual-rate (one rate only or peak-rate and off-peak rate)
- Selection of a specified number of lines/subscribers to whom calls will be charged for at a lower rate.
- Rates that reduce in direct relation to the duration of the call or data transmitted/received
- Rates that vary according to the destination of the call or the network used
- Rates that vary according to the stipulations of a 'bundled' service (the calls are charged in 'bundles' or groups), or other individually tailored tariff plans

To achieve optimum value for money from the different tariff plans offered, the consumer must determine when the bulk of their calls (or Internet use) will be made - and choose their tariff accordingly. It is also possible for a consumer to subscribe to two different tariffs.

## The different types of tariffs and billing

### Per-second to per-block billing

Most Kenyan tariff plans bill for calls made on a 'per-second' basis, which means that the user is charged for the exact duration of the call in seconds (calculated from the time of connection to the time of disconnection). Other tariff plans employ 'per block' billing, which means that the user is charged for the duration of the call in 'blocks' (which are usually 'blocks' of 60 seconds (one minute)).

## Flag-fall (connection fee)

Certain tariff plans include a 'flag-fall fee' (also known as a 'call set-up fee'). This is a fee which is charged for the initiation of every call made and is charged upon connection but before any conversation takes place. It is, therefore, charged in addition to the charge levied for the duration of the call.

## The cost of calls

Calls are charged at varying rates and users are advised to weigh up their relative merits before entering into a contract or agreement.

### Variable-rate calls

Variable-rate calls are typically applied to fixed term contracts and operate on the basis of a 'trade-off between the monthly access charge and the rate offered. In general, these are designed such that a user who elects to pay lower call charges pays a higher monthly access charge- and vice versa. Note: some tariff plans offer additional services, such as voicemail, or the allocation of a certain number of 'free' calls/text messages.

### Flat-rate calls

Flat-rate calls are charged at a constant 'flat' rate which never varies.

## Special offers

### Same-network calls

Some network providers offer lower rates for calls that are made to other users of their service. Users may therefore wish to identify the network that is used by the majority of their clients/family/friends and consider the merits of joining that network.

## Premium Rate Services (PRS)

All service providers also offer Premium Rate Services (PRS), which typically offer either information or entertainment and are charged at a 'premium rate' (higher than conventional) cost. Premium Rate Services (PRS) are typically accessed via the SMS (short messaging service) and on a variety of media which include; landline telephones, fax, internet or mobile phones.

Premium Rate Services (PRS) typically offer access to such services as:

**Entertainment:** competitions, phone chat services, horoscopes, interactive TV games, fund-raising, TV voting (e.g. as in the Tusker Project Fame, Big Brother etc), ring-tone and Logo downloads.

**Information:** Directory enquiry services, technical help-lines (for such things as IT problems), weather or traffic updates, sports or global news.

## Toll free numbers

Toll free numbers allow callers to make free calls. Toll free numbers are typically used by organizations that wish to make it easy for users to contact them (for example charitable organizations, help centres, or companies that wish to attract business) and who, therefore, accept to pay for the call themselves.

Typically toll free numbers begin with 800 or 888. There are however a few exceptions such as 116 which provides free access to the Child Helpline Service used to enable the public to report incidences that may result in children's rights being violated.

## Paying for calls

Consumers are offered a number of ways in which they can contract to pay for their calls or Internet usage. Basically, however, the tariffs offered fall into two categories: pre-paid (usage is paid for in advance) or post-paid (usage is paid for at the end of a set period).

## Post-paid contracts

Post-paid contracts allow consumers to pay for their use of services at the end of a pre-determined period (usually a month). The service provider calculates the amount of usage the consumer has made of the service and submits a monthly statement which often includes an itemized statement showing phone numbers dialed, date, duration and cost.

**Note:** post-paid subscribers are usually required to sign a contract for a set period of time (12-24 months). A deposit is also sometimes required (refundable upon termination of the contract).

## Types of post-paid service agreements

There are two kinds of service agreements for post paid services. They are as follows:

### A fixed-term contract

Fixed-term contracts are usually based on a term of specific duration, which is usually 12 - 36 months. During this period the network provider typically commits to; the provision of network access, the provision of a handset, and the provision of a certain number of 'free' calls and/or text messages for a set fee per month.