

# **Information & Communication Technologies Authority Document Ref: ICTA/G/1/2021**

GUIDELINES ISSUED UNDER SECTION 17(3) OF THE ICT ACT FOR THE IMPORTATION AND COMMERCIALISATION OF REFURBISHED CONSUMER GRADE ICT EQUIPMENT

#### **DEFINITIONS**

"Authority" means the ICT Authority established under section 4 of the ICT Act;

"Consumer Grade ICT equipment" means an ICT Equipment designed, manufactured, marketed and sold for use by consumers for their personal use;

"Guidelines" means the present Guidelines issued under Section 17(3) of the ICT Act for the importation and commercialisation of refurbished Consumer Grade ICT Equipment;

"ICT" Information and Communication Technologies;

"ICT Act" means the Information and Communication Technologies Act 2001, Act 44/2001

"ICT equipment" has the same meaning as in the Information and Communication Technologies (Clearance to Import ICT Equipment) Regulations 2019;

"**IMEI**" has the same meaning as in the ICT Act;

"Licensed Dealer" means the holder of a licence under Section 24 of the ICT Act to commercialise ICT equipment; and

"refurbished" means previously used equipment that have been restored to like-new working conditions.

# **BACKGROUND**

There has been a rise in the purchase of refurbished ICT equipment worldwide. According to studies, 'The refurbished market for consumer electronics is estimated to be of \$10 billion<sup>1</sup>.' There appears to be a market in Mauritius as well for refurbished Consumer Grade ICT equipment. This has been confirmed recently with several Licensed Dealers engaging in this line of activity. The importation and sale of refurbished products have a number of implications and this guideline aims at highlight same while at the same time providing for recommendations on best practices to be followed by the Licensed Dealers and the consumers.

The Guidelines which are issued pursuant to Section 17 (3) intend to fulfil one of the functions of the Authority under Section 18(n) of the ICT Act to: 'ensure the safety and quality of every information and communication services including telecommunication service and, for that purpose, determine technical standards for telecommunication network, the connection of customer equipment to telecommunication networks'.

<sup>&</sup>lt;sup>1</sup> Extract: https://www.liquidityservices.com/wp-content/uploads/2018/07/p rtcb0101 1502.pdf

The scope of the Guidelines covers only Consumer Grade ICT equipment which do not require a licence from the Authority for their operation. These include mobile phones, tablets and computers with wireless functionality. When the term "ICT equipment" is used in the Guidelines, this would refer exclusively to Consumer Grade ICT equipment.

These Guidelines may be reviewed from time to time as the Authority may determine.

# IMPLICATIONS OF IMPORTATION AND SALE OF REFURBISHED GOODS

#### Technical

Refurbished ICT equipment (e.g. mobile phones, tablets, etc...) can be of varying quality and hence, need to be evaluated to determine those most likely to be suitable for re-use in terms of quality of the products and safety of the users. Faulty parts, batteries and screens that might have been replaced, should be subject to extensive testing to ensure proper internal safety circuits.

## • Legal

Importation of refurbished ICT equipment can amount to counterfeit concerns in Mauritius. Counterfeiters can use the means of supplying refurbished phones, to hide and make their counterfeit products enter the local market. This can give rise to intellectual property rights conflicts.

Other consumers have originally used refurbished ICT equipment as new, as such all original customer information should be securely erased to ensure data protection of the former users.

Warranties for refurbished ICT equipment often do not match up with those for new ones. In view of guaranteeing quality products and consumer satisfaction, it is imperative that commercialisation of refurbished ICT equipment include the warranty period from the date of the purchase of the product.

#### • Commercial

The presence of refurbished ICT equipment such as phones in the local market may be advantageous to those consumers who cannot afford expensive and latest generations of such equipment. Refurbished ICT equipment are often significantly cheaper as compared to new ones and are therefore more accessible to the above-mentioned category of consumers. Consequently, the take-back scheme may result in a boost in the sale of new ICT equipment as well.

#### • Environmental

Worldwide, an environmentally sound management of used and end-of-life electronic products has become a high-profile environmental issue. E-waste can cause environmental

damages and can severely affect human health if not properly managed. Further, e-waste contains significant amounts of toxic and environmentally sensitive materials, which are extremely hazardous to human and environment if not properly disposed of.

Refurbished ICT equipment are known to have shorter lifespan. The import of such equipment would imply that these products would reach their end of life cycle in Mauritius and would constitute additional e-waste, thus affecting our environment.

# **GUIDELINES TO LICENSED DEALERS AND CONSUMERS**

### A. The Product

- 1. The Licensed Dealer should not term any refurbished ICT equipment as 'new'. The Licensed Dealers should clearly inform its potential clients that the products being commercialised are refurbished.
- 2. All refurbished ICT Equipment should be labelled '**REFURBISHED**' to guide the consumers as to the quality of the product at the time of the purchase.
- 3. The consumers should be made aware of the state of the refurbished ICT equipment, namely the operational status and any anomalies which could be faced such as phone restarting on and off, any cracked element, any locked account through passwords among others.
- 4. The purchaser should be made aware that refurbished ICT equipment may have a shorter lifespan compared to new devices.
- 5. The purchaser should further be made aware that no guarantee may be given as to the compliance of the ICT equipment purchased to the norms to which the new equipment had been tested to comply with.
- 6. The Licensed Dealer should ensure that all original customer information has been securely erased prior to selling a refurbished ICT equipment.
- 7. The responsibility of the safety and quality of the ICT equipment commercialised rests solely with the Licensed Dealer.
- 8. The Licensed Dealer should only import ICT equipment as close as possible to the latest regeneration of new products. For example, mobile phones with only 2G or 3G functionalities should be avoided.
- 9. The Licensed Dealer should ensure that all refurbished mobile devices commercialised have genuine IMEI. Tampering with the IMEI of a mobile device is an offence under the ICT Act.

10. The Customer should be informed that their refurbished ICT equipment may become unusable due to the obsolescence of networks.

## B. Labelling/Compliance with international standards

- 1. The Licensed Dealer should ensure that the refurbished ICT equipment has been vigorously vetted and repaired as required, implying that, the products have been through some extreme levels of checking and renovation prior to sale to the end-users.
- 2. The Licensed Dealer has to exercise special caution to ensure that counterfeit ICT equipment, which can be labelled as being 'refurbished' do not enter the local market.
- 3. In view to ensure that only quality and safe refurbished ICT equipment are imported for commercialisation in Mauritius and to counter-attack the importation of counterfeit goods labelled as 'refurbished', it is recommended that the refurbished goods are labelled as being:
  - Certified refurbished by reputable refurbishers,
  - Manufacturer refurbished.

# • Certified Refurbished / Manufacturer Refurbished

The certified refurbished ICT equipment is one, which goes through the process of a rigorous refurbishment process, that include the full testing of the product which has the same functional requirement as new one. The certified refurbished product undergoes the process of refurbishment by the manufacturer of the product or its authorised refurbisher. In these cases, the requirement of the refurbishment process consists of strict compliance to standards established by the manufacturer of the products. Further, the process includes the replacement of non-useable components in the product by genuine ones from the manufacturer.

Example of Certified refurbished products include Apple Certified Refurbished products and example of the refurbishers such as Microsoft Authorised Refurbisher.

#### • The Label

In view to ensure that high grade refurbished ICT equipment are entering the local market, the imports should be limited to refurbished products with renowned labels. The concept of 'Label' refurbished products is well known in European countries. These renowned labels consist of the process of going through accreditations procedures as per international standards and conformity in respect to the processing of the refurbishment while taking into account safety, quality and environmental elements.

# C. The Warranty

- 1. Considering the fact that refurbished ICT equipment can be subject to defects, the warranty period should be of at least six months from the date of the purchase from the Licensed Dealer. In addition, the terms and conditions associated with the six months or more warranty should be clearly specified to the customer prior to any purchase.
- 2. The Consumer should also be provided with the possibility of returning the product within a minimum period of 14 days should he be dissatisfied with same.

## D. The take-back scheme to ensure circular economy

- 1. The approximate useful lifespan of an ICT equipment such as a mobile handset is of seven years. However, with the evolving technologies, new handsets are being marketed on a monthly basis. Thus, users tend to replace their mobile phones for new ones with latest applications.
- 2. Consumers should be encouraged to avoid stocking unusable or outdated ICT equipment, and/or throwing away these devices with unsorted household waste but rather sell or give it to a recognised take-back scheme.
- 3. This scheme will allow the reduction of e-waste in Mauritius and consequently segmenting waste prevention activities and subsequently exporting those products for the reuse initiatives and recycling. The implementation of this aspect would amount to the circular economy.
- 4. The circular economy would aim to maintain the quality of value of materials and resources over the long term. With such initiative, the ICT sector in Mauritius would be acting as a partner to the reduction of environmental footprint.