



Information and Communication Technologies Authority

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Guidelines on Payment of USF Contribution

Guidelines made under Section 17(3) of Information and Communication Technologies Act 2001

and

The Information and Communication Technologies (Universal Service Fund) Regulations 2023

19 January 2024

Preamble

Under Section 17(3) of Information and Communication Technologies Act 2001 [hereafter referred as 'the Act'], the Information and Communication Technologies Authority [hereafter referred as 'the Authority'] *'shall have the power to make such determinations, issue such directives and guidelines grant such authorisation, approval or clearance, and do such acts and things, as are incidental or conducive to the attainment of its objects and the discharge of its functions.'*

Pursuant to Section 17(3) of the Act and Regulation 6 of the Information and Communication Technologies (Universal Service Fund) Regulations 2023 [hereafter referred as 'the Regulations 2023'], the ICT Authority hereby issues these set of guidelines [hereafter referred to as the USF Payment Guidelines (USFPG)], which aims to provide the adequate information and guidance to public operators to streamline the payment of the relevant annual contribution into the USF, as established under Section 21 of the Act.

The USFPG also sets out the transitional considerations to be followed by specific public operators in complying with the provisions of the Regulations 2023.

Introduction

The Authority is hereby issuing the present set of USFPG, which shall, provide guidance to public operators, listed under the First Schedule of the Regulations 2023, on –

- i. the revenue items to be reported upon as part of the computation and payment of the relevant annual contribution into the USF under Section 21 of the Act; and
- ii. the transition by existing licensees (PLMN &ILD operators) in relation to payment of the USF contribution for the period October to December 2023.

The USFPG shall be read in conjunction with the provisions of the Regulations 2023, which are binding on all public operators as identified under the First Schedule of the said Regulations.

The definitions used in the USFPG have the same terms and meaning as defined in the Regulations 2023. Where there is a conflict in the definitions provided in the guidelines, the definitions under the Regulations 2023 shall prevail.

Definition of Terms

“Act” means the Information and Communication Technologies Act 2001;

“Authority” means the ICT Authority established under Section 4 of the Act;

“gross turnover” means –

(a) the retail revenue receivable by the public operator during its financial year, from the provision of information and communication services, generated under the scope of any licence held by a public operator before any deduction for expenses, taxes, discounts, returns and offsets of any kind; but

(b) does not include revenue from –

- i. value added taxes, other taxes and charges collected for, and on behalf of, the Government;
- ii. sales and renting of telecom equipment, including customer premises equipment;
- iii. data centre, late payment charges, managed services, tower rentals, sub-lease; and
- iv. other non-telecom services;

“public operator” means an operator referred to in the first column of the First Schedule of the ICT (USF) Regulations 2023;

“retail revenue” means revenue generated by a public operator from the provision of information and communication services to final end-users;

“regulations” means the Information and Communication Technologies (Universal Service Fund) Regulations 2023

“USF” means the Universal Service Fund established under section 21 of the Act.

Section I – Revenue Reporting

The Regulations 2023 establishes that the computation of the USF contribution would now be based on the notion of gross turnover, with a particular emphasis on the retail revenue from the provision of information and communication services (ICS) to final end-users.

By extension, this means that public operators will have to first establish the list of all revenue generating activities under a given licence category, in accordance with the First Schedule of the Regulations 2023, and then perform a first classification in terms of retail as opposed to non-retail revenue.

The following table -

- i. gives a further depiction of what is to be reported for the computation of the USF contribution payable under the Second Schedule of the Regulations 2023; and
- ii. provides clarity between retail and non-retail revenue.

Retail Revenue <i>is the revenue receivable by a public operator from the provision of ICS to final end-users</i>	Non-retail revenue <i>is the revenue receivable by a public operator from the provision of ICS other than to final end-users</i>
For illustration, this includes the revenue generated from the provision of ICS to: <ol style="list-style-type: none"> i. the public, ii. businesses in general such as BPOs, Hotels, Banks, SMEs, etc... iii. Government bodies, NGOs, Embassies, etc... 	Revenue generated from the provision of ICS, sold to other licensed public operators, and used as an input in the services offered by the latter to their final end-users, shall not be included. Revenue from interconnection usage charges (IUC) for the conveyance of voice calls, shall not be included.

It is also clarified that the revenue generated from any project involving the provision of ICS to final end users shall also be included; whether the said project has emanated from a tender exercise or through any other mode of contract allocation.

It is also noteworthy that: -

- i. the list provided in the above table is non-exhaustive; and
- ii. should any public operator, have any doubt as to whether a given source of revenue qualifies as retail and/or non-retail revenue, it should contact the Authority for further assistance.

Section II – Computation of USF contribution

Following the identification of retail revenue from the provision of ICS as described at Section 1 above, the next step is to compute the actual USF contribution payable as per the requirements of the Second Schedule of the Regulations 2023.

The following table provides clarification on the basis of computation for the USF contribution for a public operator holding –

- i. a single licence; and
- ii. multiple licences,

under the First Schedule of the Regulations 2023.

Public operator holding a single licence under the First Schedule	Public operator holding multiple licences under the First Schedule
The public operator shall under the Second Schedule: <ol style="list-style-type: none">i. list all services and corresponding retail revenue offered under its licence from the provision of ICS;ii. for quarters 1 – 4, disclose the sub-total which shall pertain to the sum of all retail revenue disclosed under (i) above; andiii. provide and make the appropriate contribution into the USF based on the provisions of the second column of the First Schedule.	The public operator shall under the Second Schedule: <ol style="list-style-type: none">i. list all services and corresponding retail revenue offered under each of its licences held from the provision of ICS;ii. for quarters 1 – 4, disclose the sub-total which shall pertain to the sum of all retail revenue disclosed under (i) above;iii. calculate the USF contribution payable based on the sub-totals of all retail revenue disclosed under each of its licences;iv. provide and make the appropriate contribution into the USF based on the provisions of the second column of the First schedule.

It is further highlighted for public operators holding multiple licences, that the computation of the USF contribution payable is **on a per licence basis**.

Section III – Transitional considerations

Regulation 9 of the Regulations 2023, caters for the specific contribution into the USF by **existing holders** of a Public Land Mobile Network (PLMN) licence and an/or International Long Distance (ILD) Licence for the specific period of **October – December 2023**.

It is clarified that for the above-mentioned licensed holders, the computation of the USF contribution payable for quarter 4 of 2023 (October – December) shall consist of two parts –

Part I

- i. holders of a PLMN licence which were contributing 5 per cent of their gross revenue from the provision of international roaming service into the USF, shall **maintain** the same contribution for the period October – December 2023, but as from January 2024, the new contribution shall be as provided for in the Regulations 2023.
- ii. holders of an ILD licence which were contributing 0.025 US Dollar on every minute of incoming international calls into the USF, shall **maintain** the same contribution for the period October – December 2023, but as from January 2024, the new contribution shall be as provided for in the Regulations 2023.

Part II

- iii. holders of the licences mentioned at (i) and (ii) above, shall now contribute into the USF under the Regulations 2023 for the **other services** they respectively provide under their licence in accordance with the guidance at Section 2 above.

For the reporting purposes under Section 2 above, the PLMN and ILD public operators are not required to disclose the revenue generated from the services mentioned at part I above in computing the USF contribution payable for the stated period of October – December 2023.

To further illustrate the above transitional considerations for the period of October – December 2023, the following scenario is provided:

- Operator **x** is the holder of an ILD licence and is offering a basket of services such as outgoing international calls, incoming international calls and international bandwidth, among others.
- Under the Information and Communication Technologies (Universal Service Fund) 2008, operator **x** has to contribute into the USF only for incoming international calls (i.e. 0.025 US Dollar on every minute of international calls which it terminates in Mauritius).
- The contribution payable by operator **x** into the USF shall be in the following two parts:
 - i. 0.025 US Dollar on every minute of incoming international calls which it terminates in Mauritius per month – ‘*ICT (USF) Regulations 2008*’; and
 - ii. The corresponding percentage of gross turnover for the other services (excluding incoming international calls), which it offers under the licence – ‘*ICT (USF) Regulations 2023*’.