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REPUBLIC OF GHANA

**MINISTRY OF COMMUNICATIONS  
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18th May, 2018

## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

#### **COMMON PLATFORM: SETTING THE RECORDS STRAIGHT**

The attention of the Ministry of Communications (MoC) has been drawn to an article released by IMANI Ghana, containing a litany of misinformation about the ministry, its mandate under the law and its conduct in fulfilment of such mandate.

The MoC, by this statement, would like to set the records straight.

As of 2009, the National Communications Authority, (NCA) and the Ghana Revenue Authority (GRA) had different regulations in accordance with their mandates to enhance oversight and revenue generation monitoring activities. As a result, each agency contracted different service providers in 2010 to achieve their objectives. In 2013, the government consolidated these regulations in the Communications Service Tax (Amendment) Act, 2013 (Act 864) to benefit from the synergy of using a single platform.

The Act clearly stipulated that a common platform be used for the purpose of monitoring revenues, including revenues accruing from levies. For this purpose, the Ministry of Communications (MoC), the Ministry of Finance (MoF), the NCA and the GRA have held several meetings to agree on the way forward for oversight and revenue assurance in telecommunications.

For the purposes of clarity, it is important to establish the timeline of events that led to the signing of the contract between the Government of Ghana, through its Ministries of Communications and Finance and KelniGVG, a Ghanaian company, for the provision of oversight and revenue assurance monitoring.

- Subah Infosolutions was contracted by GRA in 2010, to oversee the tax revenue monitoring activities from the Telcos. The contract was renewed with an expanded scope in 2014 for a five-year (5) term, renewable annually. To the best of our knowledge, despite having installed the SUBAH Solution, GRA was still depending on Operators'

declarations for revenue monitoring purposes and did not have real time information on telecoms traffic volumes.

- Afriwave was also licensed in 2016 by NCA, to provide an interconnect clearing house in monitoring both domestic and international traffic volumes and the accounting of the Surtax on International Inbound Call Termination (SIIT) returns and fight against the SIMBOX fraud. The licence was primarily for the provision of interconnect traffic routing, settlements and billing. Afriwave failed to deliver on licensed services per the requirements of the Electronic Communications (Interconnect Clearinghouse Services) Regulations, 2016, L.I. 2234 resulting in an amendment of the licence in 2017 to restrict them to interconnect services only.
- Due to the lack of clarity regarding the implementation of the law on the establishment of a common platform, the NPP administration held a stakeholders forum on Tuesday, 21<sup>st</sup> February, 2017 chaired by the Senior Minister. The Ministers of Finance and Communications were both present in addition to relevant stakeholders including all mobile operators, Subah and Afriwave. After all the presentations, it became clear there was duplication of efforts by both Subah and Afriwave while none of them was providing the real time traffic monitoring solution required for effective revenue assurance in this sector. They both depended on Call Detail Records {CDRs} provided by the various mobile operators, information which was freely available to the NCA. The government of Ghana was also paying both entities essentially for no work done. The outcome of the consultation process was for the NCA to amend the Interconnect Clearinghouse (ICH) Licence to restrict them to clearing house operations and for GRA to abrogate the contract with Subah. This would pave way for the establishment of the common platform in accordance with the law for proper revenue assurance.
- A new procurement process was launched, sanctioned by the MoC and MoF, in accordance with the law, to select a suitable vendor to meet the requirements defined by the NCA and GRA and in December 2017, the contract was awarded to a Ghanaian entity, duly registered under the laws of the Republic of Ghana called KelniGVG Limited. KelniGVG was initially incorporated in October 1995. The award was made in full compliance with the relevant laws in Ghana, unlike the contracts awarded to both Subah and Afriwave.
- The current implementation of the common platform has resulted in monthly savings of over US\$1.1million to the State.

*Table 1: Pre-Common Platform Monthly Payments to Afriwave and Subah*

<i>No.</i>	<i>Institution making payment</i>	<i>Scope of Services</i>	<i>Amount Paid</i>	<i>Recipient</i>
	<i>NCA</i>	<i>Traffic Monitoring</i>	<i>\$915,969.93</i>	<i>Afriwave Limited</i>
	<i>GRA</i>	<i>Revenue Assurance Monitoring</i>	<i>\$1,675,492.28</i>	<i>Subah Infosolutions</i>
	<i>Total</i>		<i>\$2,591,462.20</i>	

*Table 2: Common Platform Monthly Payments*

<i>No.</i>	<i>Institution making payment</i>	<i>Scope of Services</i>	<i>Amount Paid</i>	<i>Recipient</i>
	<i>NCA</i>	<i>- Traffic Monitoring</i>	<i>\$596,490.00</i>	<i>KelniGVG</i>
	<i>GRA</i>	<i>- Revenue Assurance Monitoring</i> <i>- Anti-Fraud Monitoring</i> <i>- Mobile Money Monitoring</i>	<i>\$894,735.00</i>	<i>KelniGVG</i>
	<i>Total</i>		<i>\$1,491,225.00</i>	

It must be made clear that the MoC and the MoF jointly collaborated on all the processes and signed a new contract for the implementation of the Common Platform in accordance with their procurement guidelines and the provisions of the Law.

Also, prior to this new arrangement, all relevant stakeholders were made aware of the fact that previous contractors' services, namely that of Subah Infosolutions and Afriwave relating to traffic and revenue assurance monitoring were in effect, TERMINATED. There can therefore be no duplication as alleged by Imani. Furthermore, the KelniGVG mobile money monitoring system will monitor ALL mobile money transactions on the various platforms both on each network and between networks. The interoperability framework launched by HE the vice president facilitates and monitors transactions between the various operators and the banks. Between the two systems, the government will have complete visibility on total volumes and values of mobile money transactions in Ghana and derive the appropriate tax revenues from them.

The Ministry of Communications would like to assure Ghanaians that the necessary due diligence was carried out during the processes that led to the selection of KelniGVG. A lot of care was taken not to repeat the mistakes of the past.

The contractual obligations of the parties are clearly defined. KelniGVG has issued a performance bond to demonstrate its commitment to deliver the Solution to meet the requirements of the Implementing Agencies (GRA and NCA). Under the BUILD, OPERATE, MANAGE and TRANSFER model, the contract signed has a clear roadmap and deliverables. The installation of the Common Platform is in progress and the Central Monitoring System is fully equipped. The Installation is expected to be operational before the end of July 2018.

The risk of losses on the international incoming calls can be fairly estimated to be more than \$150,000 for the three months even while the Solution is not yet fully launched.

The equipment being installed by KelniGVG is for monitoring only. They are purely passive and will not disturb the functioning of operator systems. Similarly, there will be no violation of the Data and Privacy Laws of Ghana resulting from KelniGVG services. All the staff working on the project have signed Non-Disclosure Agreements in accordance with global best practice and standards. We insist on the full and effective application of the laws of the land.

It is normal for a company like KelniGVG which is assisting Government regulators to verify revenues and promote transparency in any sector to be unpopular with institutions which benefit from and take advantage of the lack of systems that provide such transparency and visibility and to be attacked. We will plug these revenue gaps, and provide the Government with revenue to provide critical infrastructure for development. This is the promise that this Government has made and intends to deliver on.

The government is committed to transparency and the provision of the necessary protection for every Ghanaian in the use and verification of their hard-earned Cedis, so, that we may as a nation reach the target of self-sustenance, taking Ghana Beyond Aid; by plugging all leakages and diversion of our revenue. As the President has said consistently, THIS IS NON NEGOTIABLE.

Signed

Mrs. Ursula Owusu Ekuful

Minister of Communications.