



## **NCC's Draft MVNO Business Rules:** *A regulatory push to unlock Nigeria's Mobile Virtual Network Market*



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## BACKGROUND

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The Nigerian Communications Commission ("NCC") has released a Draft Business Rules for Mobile Virtual Network Operations in Nigeria (the "Draft Rules")<sup>1</sup>. This development represents a significant regulatory intervention in the MVNO ecosystem since the introduction of the MVNO licensing framework.

While Nigeria has issued numerous MVNO licences across different tiers, commercial rollout has been slower than anticipated. Industry participants have repeatedly cited delays in host negotiations, onboarding bottlenecks, uncertainty regarding licence scope and disagreements over wholesale commercial terms as key obstacles to market entry.

The Draft Rules seek to address these challenges directly. Rather than merely clarifying operational requirements, the NCC has signalled a clear intention to accelerate MVNO deployment, strengthen competition and if not eliminate, at least minimize the obstacles impeding market access.

## MARKET ACCESS AS A REGULATORY OBLIGATION

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The most consequential aspect of the Draft is the formal regulation of MVNO onboarding processes. Rules 6 (3) of the Draft Rules prohibit Hosting Network Operators ("HNOs") from deploying delays, restrictive onboarding practices, or opaque internal processes that may frustrate MVNO entry.

Key procedural timelines introduced include:

- i. acknowledgement of hosting requests within 10 days;
- ii. substantive responses within 20 days;
- iii. commencement of technical negotiations within 10 days following a positive response; and;
- iv. conclusion of commercial and technical agreements within a maximum period of 120 days.

Crucially, the Draft Rules provide that internal approvals, restructuring, or competing business priorities will not justify delays beyond the prescribed timelines. The Implication is that onboarding is no longer purely commercial but now a time-bound regulatory process subject to the NCC's enforcement oversight.

## NEW REGULATED REVENUE SHARING FRAMEWORK

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The Draft Rules introduce a structured wholesale pricing framework anchored on two key concepts:

- Benchmark Selling Price, and
- Shareable Revenue

Under this model, revenue sharing is calculated using NCC-approved benchmarks, with limited allowable deductions, primarily interconnection and bandwidth costs, unless otherwise approved by the Commission.

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<sup>1</sup> Nigerian Communications Commission, 'Business Rules for Mobile Virtual Network Operations in Nigeria' (May 2026) <https://ncc.gov.ng/sites/default/files/2026-05/Draft-Business-Rules-for-Mobile-Virtual-Network-Operations-in-Nigeria.pdf>

The Draft Rules further prescribe indicative revenue-sharing allocations based on the MVNO license tiers, clarifying the portion of shareable revenue that the MVNO is entitled to retain. These benchmarks range from 25% for entry-level (Tier 1) operators to as much as 50% for high-level (Tier 4 and 5) operators.

Market Implications:

- For HNOs: The Rules may significantly curtail commercial autonomy, limiting the ability to structure bespoke pricing models that reflect unique network investments or specific risk profiles.
- For MVNOs: This framework provides a standardised basis for negotiating commercial viability. It offers operators a robust mechanism to challenge pricing structures that may result in a potential anti-competitive conduct.

### LICENCE SCOPE AND ENFORCEMENT RISK

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A further objective of the Draft Rules is to eliminate ambiguity regarding the operational scope of each MVNO licence category. The NCC has provided granular detail on the infrastructure, service functionality, and switching rights allowed for every licence category. Crucially, MVNOs are expressly prohibited from operating beyond their licensed scope or using outsourcing arrangements to replicate the functionality of higher-tier licences. This is likely to trigger heightened regulatory scrutiny of existing hybrid operating models, particularly where commercial arrangements blur the distinction between licence categories.

### STRATEGIC RECOMMENDATIONS AND NEXT STEPS

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The NCC has opened a formal consultation window for industry participants to provide feedback before these rules are finalised. We recommend that stakeholders conduct an internal impact assessment of these Draft Rules immediately.

For MVNOs, this presents an opportunity to evaluate whether the proposed onboarding timelines and revenue-sharing benchmarks adequately address existing barriers to entry.

For Hosting Network Operators, it is critical to review existing onboarding procedures, internal approval processes, and wholesale pricing frameworks to assess compliance exposure under the proposed regime.

Stakeholders are encouraged to submit comments and feedback to the Executive Vice Chairman of the Commission on or before 29<sup>th</sup> June, 2026. Additionally, the Commission has scheduled a public inquiry for 9<sup>th</sup> July, 2026, at the NCC Head Office Annex in the Mboru District, Abuja. Participation in these processes is strongly advised to ensure commercial and regulatory interests are adequately represented in the final framework.

## CONCLUSION

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The Draft Rules are ultimately less about technical regulation and more about market development. If adopted in their current form, they will materially alter the balance of negotiating power between host operators and MVNOs, introduce greater oversight of wholesale arrangements, and increase enforcement risks for operators that impede market access. For a sector that has struggled to move from licensing to commercial execution, these Draft Rules may prove to be the most significant step.

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