

Press Release 30th March 2012

Roaming tariffs due to fall further as from 1st July 2012

After nine months of intense negotiations, the European Commission, European Parliament and the Council reached an agreement to reform the current Roaming Regulation. The deal is expected to take effect on the 1st July 2012.

Under the new deal, as from 1st July 2012 there will be further reductions in the "Euro-Tariff" price caps that mobile operators will be allowed to charge their customers who use mobile services whilst travelling in the EU. More significant however, for the first time, price caps will also be introduced on EU data roaming charges for those customers using mobile internet based services whilst abroad.

Under the new rules, charges for calls made while travelling in other EU countries cannot exceed 29 cents per minute and calls received should cost no more than 8 cents per minute. Sending a text message while abroad has a ceiling charge of 9 cents per SMS whilst accessing the Internet will cost no more than 70 cents per megabyte. These charges are all exclusive of VAT or any other applicable charges. Mobile operators will be obliged to actively offer the new "Euro Tariff" prices to all their subscribers.

These caps (maximum prices) will continue to decline year-on-year until 2014, as indicated in the following table.

	Current charges	from 1 July	from 1 July	Charges as from 1 July 2014
Data (per MB)	-	70	45	20
Voice-calls made (per minute)	35	29	24	19
Voice-calls received (per minute)	11	8	7	5
SMS (per SMS)	11	9	8	6
NOTE: all costs are indicated in Euro cents, excluding VAT and any other applicable charges.				

The Regulation confirms transparency measures currently in force for voice and SMS, whereby, upon entering a European Member State the customer is notified with basic pricing information on voice and SMS roaming services. This service is now being extended to customers travelling outside the EU.

Roaming data users will also be alerted with an SMS message, email, or pop-up window, upon reaching 80% of a financial limit, which was previously agreed to upon signing the roaming contract, whilst travelling inside and even outside the EU.

But the reform does not end here. In order to stimulate competition further, as from 1 July 2014, customers will be entitled to subscribe to an alternative mobile roaming service, separate from their existing contract for services used in their country of residence. Consequently, customers would have the option of choosing the most economical roaming tariff plan, independent of their domestic service provider and therefore have separate domestic and roaming contracts with two different service providers. Despite having two separate contracts, customers will still be able to enjoy both services using the same mobile phone and SIM card.

Competition will also be stimulated at a wholesale level, because the reform also gives all mobile operators the right to use alternative networks at regulated wholesale prices. As a result, operators would be encouraged to compete in the roaming market.