COMMUNICATIONS AUTHORITY OF KENYA

DETERMINATION ON MOBILE AND FIXED TERMINATION RATES – INTERCONNECTION DETERMINATION NO. 5 OF 2025

I. INTRODUCTION

1. The Communications Authority of Kenya ("the Authority") is the regulatory agency for the ICT sector in Kenya with responsibilities in telecommunications, e-commerce, broadcasting and multimedia, postal and courier services. The Authority is also responsible for managing the country's numbering and frequency spectrum resources, administering the Universal Service Fund (USF), as well as safeguarding the interests of users and consumers of ICT services.

2. The Authority is mandated under Sections 84R, 84W and 85A of the Kenya Information and Communications Act, 1998 to make a determination in the licensed system and services to ensure fair competition, regulate interconnection arrangements and enforce cost-oriented pricing in order to promote efficiency, competition and non-discriminatory access among licensees.

3. Interconnection involves the physical and logical linking of telecommunication networks to allow customers of one service provider to communicate with customers of another service provider.

4. Interconnection is an essential component of telecommunication regulation as its pricing and access framework can be used as a barrier to entry and expansion, thereby impeding competition. Moreover, high interconnection rates are associated with high retail tariffs, which negatively impact affordability of ICT services and reduce consumer welfare.

II. BASIS OF REVIEW OF THE INTERCONNECTION RATES

5. In 2022, the Authority conducted a comprehensive Telecommunications Network Cost Study to determine the efficient cost of delivering mobile and fixed call termination services. The study found that the prevailing mobile termination rates and fixed termination rates (MTR/FTR) were significantly higher than the underlying network costs and recommended a phased glide path to progressively align the rates with cost-based levels consistent with international best practice. Subsequently, the Authority issued a moderated rate of Kshs. 0.41 for a period of two (2) years, effective from March 1st, 2024 to February 28th, 2026. Following the expiry of the termination rates on February 28th, 2026, the Authority has established a glide path for a period of four (4) years, effective from March 1st, 2026 to February 28th, 2030, which progressively transitions Kenya's termination rates toward the cost-efficient levels in line with global trends.

6. The Authority has previously issued four (4) Determinations on Mobile and Fixed Termination Rates as follows:
   (a.) Determination No. 1 of 2007 on Retail and Interconnection Rates among the Fixed and Mobile Telecommunications Networks in Kenya.
   (b.) Determination No. 2 of 2010 and Addendum No. 2 on Pure Long Run Incremental Cost (LRIC) Based Interconnection Rate Regime.
   (c.) Determination No. 3 of 2021 on Mobile Termination Rates (MTR) and Fixed Termination Rates (FTR).
   (d.) *Determination No. 4 of 2023 on Mobile and Fixed Termination Rates.*

III. THE DETERMINATION

7. In undertaking the review, the Authority has considered the need to strike a balance between promotion of investment, protection of consumers and the prevailing economic and market environment as well as best practices in the region and globally.

8. The Authority, therefore, recommends a moderated and phased reduction of the MTR/FTR for the next four (4) years, during which the rates will tend towards the long-run cost-efficient level identified in the Telecommunications Network Cost Study of 2022.

9. Having taken into consideration probable changes in the last two (2) years, the Authority hereby determines as follows:

   (a.) That all mobile and fixed telecommunications operators in Kenya shall implement the Mobile and Fixed Termination Rates (MTR/FTR) for a period of four (4) years with effect from March 1st, 2026, as outlined in Table 1.

Table 1: Termination Rates for Mobile and Fixed Operators

Effective Date	March 1st, 2026 - February 28th, 2027	March 1st, 2027 – February 29th, 2028	March 1st, 2028 –February 28th, 2029	Effective March 1st, 2029 - February 28th, 2030
Mobile and Fixed Termination Rate (Kshs./Minute)	0.37	0.35	0.33	0.30

   (b.) That the MTR/FTR shall apply only to local voice traffic. For the avoidance of doubt, this refers to traffic originating and terminating within Kenya.

   (c.) That the prescribed MTR/FTR is a price cap; therefore, all operators have the latitude to negotiate interconnection rates that are lower.

   (d.) That all operators shall vary their interconnection agreements in line with this Determination and file with the Authority their Deeds of Variation by February 15th, 2026.

10. The current MTR/FTR of Kshs. 0.41 per minute shall apply until the rates specified in Paragraph 9 takes effect.

11. Once the market attains the rate of Kshs. 0.30 per minute, a further review will be undertaken to ensure continued alignment with new and emerging issues, cost trends and competitive conditions.

Dated.........**3RD**.........day of......**DECEMBER**.......**2025**

DAVID MUGONYI, EBS
DIRECTOR GENERAL/CEO
COMMUNICATIONS AUTHORITY OF KENYA