

PRESS STATEMENT



30th August 2011

PRESS STATEMENT ON THE PHASE OUT OF COUNTERFEIT MOBILE HANDSETS

The attention of the Communications Commission of Kenya (CCK) has been drawn to reports appearing in sections of the local media misrepresenting the ongoing regulatory discussions on the phasing out of use of counterfeit mobile handsets. The reports have generated anxiety, fear and uncertainty among mobile telephony users, especially those who can't tell whether or not their phones are genuine or counterfeit. We would wish to take this opportunity to clarify the intervention being considered about counterfeit and stolen phones as follows:

1. Under the law it is illegal for telecommunications operators to offer services to end users via unapproved apparatus including handsets. That is why the availability of counterfeit handsets in the market is of concern to both the Commission and the mobile telecommunications service providers. Arising from this concern, CCK has convened a consultative meeting with the four mobile telecommunications firms, relevant government agencies and other stakeholders on 9th September 2011 to discuss this matter with a view to charting a pragmatic solution to the problem. I wish to state here and now that the consultations are not in any way meant to punish innocent subscribers, who may unknowingly, be in possession of counterfeit handsets. Rather, the objective is to curb entry into the market of these illegal phones as well as put measures in place to deter handset thefts. We believe we shall achieve this goal with minimal inconvenience to mobile telephone subscribers.
2. The decision to phase out use of counterfeit mobile phones should be seen as a way of protecting consumers rather than punishing them. Subscribers with counterfeit handsets have no hope of recovering their phones once stolen. This is because these phones come with duplicated or tampered with International Mobile Equipment Identity (IMEI) numbers, making it difficult for Equipment Identification Registries (EIR) to trace them. IMIE numbers are very important in tracking stolen or mobile handsets used to perpetrate criminal activities. Likewise, phones whose IMIE have been tampered with can't be identified when lost or in case of commission of crime using them. Besides being criminal, it potentially risky for anyone to use counterfeit or handsets whose IMIE have been duplicated or re-programmed. This explains why governments globally are putting in place regulatory mechanisms to phase out the use of counterfeit handsets to improve

security, particularly in the era of terrorism. In Kenya, security of mobile handsets is paramount given the high uptake of m-payment and m-transactions. It is important that the medium of mobile money transactions is secure and reliable.

3. I wish to allay fears on the number of handsets with faulty or duplicated IMEI. Contrary to recent reports in sections of the media, the number of the illegal phones in the market account for only 9.39%. This is accordingly to statistics based on returns obtained from the four mobile operators. The Commission in consultation with the four service providers and other stakeholders will work towards eliminating all illegal handsets in this market. We shall be announcing the decision on the way forward after our 9th September meeting.
4. I wish to take this opportunity to urge members of the public to desist from buying handsets from unauthorized dealers as this could expose them to the risk associated with counterfeit or stolen handsets with reprogrammed IMEI numbers. It is an offence under the law to change the identity or interfere with the operations of a mobile telephone handset. Those found guilty of this offence are liable to a fine of up to 1 Million shillings or imprisonment for a term of up to 5 years or both. Similarly possession of reprogramming equipment is in itself a crime, attracting a fine of up to Ksh. 1 million, imprisonment for a term of up to five years or both. Those engaging in this kind of business should, therefore, stop forthwith before law enforcement agencies catches up with them.

The war against counterfeit and stolen phones is one that the Commission, in concert with all other players, is determined to stay on until it is won. Unless this is done, the gains achieved in the robust mobile phone sphere will slowly be eroded, for it is not enough for people to be able to communicate; they should do so securely.

Francis W. Wangusi
Ag. DIRECTOR-GENERAL