# Questions and Answers: caps on international calls and SMS within the EU

To what extent calling and sending SMS from one EU country to another one will cost less thanks to the new EU telecoms rules?

As of 15 May 2019, phone calls via landline and mobile phone or SMS made from one EU country to another are capped at 19 cents per minute (+VAT) and 6 cents per SMS (+VAT). This price does not include VAT, which varies depending on the EU Member States of the calling operator (European Member States' rates of VAT range between 17% and 27%). See VAT rates in all EU countries.

**Example:** Maria lives in Italy and her daughter works in Belgium. She normally calls her daughter for about two hours a month. The call from fixed landline and using a domestic Italian plan would cost  $\{0.89\ \text{per minute}$ , which means, Maria would spend around  $\{105\ \text{every month}$  on calling her daughter. With the new rules, she would pay a maximum of  $\{0.23\ \text{(including VAT)}$  per minute, so a maximum of  $\{27\ \text{for the same duration of calls}$ . This is four times less than before, at a total savings of  $\{78\ \text{per month}\}$ .

# What is the difference between international calls and roaming?

Roaming is when you are using your mobile phone while travelling in another country. Since 15 June 2017, EU citizens can roam at domestic prices when travelling in the EU. People can use their mobiles abroad in the EU at no extra cost. This roam like at home principle is valid for any calls, SMS as well as data use: the tariffs that apply remain the same as when the person is home. Beyond a fair use of roaming services at domestic price, roaming surcharges may be applied to prevent abusive usage of roaming services. More information on the exact conditions is available <a href="here">here</a>.

International calls and SMS (so-called intra-EU communications) means calling a phone number of another EU country with domestic mobile or fixed phone while consumers are at home. Note that as soon as they are abroad, their calls are roaming calls, subject to the EU roaming rules, which means charged as a domestic phone call, even if they call a phone number of another Member State.

**Example:** Marcin lives in Poland and has a mobile phone with a Polish operator. When he travels to Belgium he is roaming: thanks to the *roam like* at home principle, the tariff of all his calls back to Poland or to any other Member State is the same as if he was in Poland calling a Polish number. While Marcin is at home calling a phone number of another EU country, he will have to pay maximum 19 cents per minute (+VAT).

In which countries do the new rules apply?

In all 28 EU countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden and the United Kingdom.

For calls and SMS originating in Norway, Iceland and Liechtenstein the rules will be applicable as soon as it is incorporated in the European Economic Area agreement.

# Is the rule applicable for everybody?

The maximum price is capped only for personal usage, i.e. for private customers. Business customers are excluded from this price regulation, given that several providers have special offers particularly attractive for business customers.

# Are there any limits to usage of minutes or SMS with the lower prices?

No, there are no limits.

**Example:** From Italy, Maria will be able to call her daughter in Belgium as many times as she likes, while paying a maximum 19 cents per minute (+VAT).

### Will EU citizens get notified on 15 May of the new prices? If so, how?

Yes. Operators offering their services in the EU are obliged to notify the new tariff prices. The operators will choose how they contact their customers (e.g. by SMS or email).

# Are the price caps automatically applicable or do citizens have to do something to benefit from the lower prices?

Operators must offer price caps for international calls and SMS by default. Consumers should therefore automatically benefit from the new tariff once it enters into force, without any further action on their part.

# What will happen in the case of bundle services? How will the new price caps affect these offers?

If consumers have a bundle that includes a fixed volume of international calls and/or SMS in the EU for a set price, then the price cap is not applicable.

However, if consumers consider that their bundle no longer offers the best value for money following the entry into force of this price cap, they can always switch to a per-minute tariff for intra-EU calls and SMS.

**Example:** Mario has a subscription that includes 50 minutes of calls in any EU country, as well as unlimited domestic calls and unlimited domestic data, for €30. There are months when he does not spend the entire 50 minutes, but overall, he has calculated that the subscription is more beneficial for him because it includes other services that he uses a lot. For that reason, he can continue with the same tariff as before. No price cap applies in this

# Are there any exceptions to these caps?

Under exceptional circumstances, the <u>National Regulatory Authorities for</u> <u>electronic communications</u> may grant an operator a derogation from the price regulation. The derogation is exceptional and concerns operators that are specialised in international calls, or have a very low profit margin on domestic prices.

The national regulator in charge of telecoms should have a list of providers, which may be granted the exception.

## What benefits does the overall EU telecoms reform bring to Europeans?

The price caps for calls within EU are part of the <u>EU-wide overhaul of</u> <u>telecoms rules</u> to strengthen coordination of electronic communications and enhance the role of the Body of European Regulators for Electronic Communications (BEREC).

The new telecoms rules:

- Enhance the deployment of 5G networks by ensuring the availability of 5G radio spectrum by end of 2020 in the EU and providing operators with predictability for at least 20 years in terms of spectrum licensing; including on the basis of better coordination of planned radio spectrum assignments.

# - Facilitate the roll-out of new, very high capacity fixed networks:

- with clear rules for co-investments and promoting risk sharing;
- by promoting sustainable competition, especially regarding wiring, ducts and cables inside buildings:
- by creating specific regulatory regime for wholesale-only operators (operators which sell their services only on the wholesale market and have no retail offers).
- Benefit and protect consumers, irrespective of whether end-users communicate through traditional (calls, sms) or web-based services (Skype, WhatsApp, etc.) by:
  - ensuring that all citizens have access to affordable communications services, including universally available internet access, for services such as e-government, online banking or video calls;
  - ensuring that international calls within the EU will not cost more than 19 cents per minute, while making sure that the new rules would not distort competition, innovation and investment;
  - giving equivalent access to communications for end-users with disabilities;
  - promoting better tariff transparency and comparison of contractual offers;
  - guaranteeing better security against hacking, malware, etc.;
  - better protecting consumers subscribing to bundled service packages;

- making it easier to change service provider and keep the same phone number, including rules for compensations if the process goes wrong or takes too long;
- increasing protection of citizens in emergency situations, including retrieving more accurate caller location in emergency situations, broadening emergency communications to text messaging and video calls, and establishing a system to transmit public warnings on mobile phones.

For More Information

Press release

**BEREC Regulation**