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*Analysing developments impacting business*

### TRAI PUSHES FOR TRANSPARENCY WITH CUSTOMERS

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On 18 September 2020, the Telecom Regulatory Authority of India (TRAI) issued two directions (Directions) dealing with publication and advertisement of tariffs by telecom service providers (TSP) with an aim to increase transparency in tariff plans.

#### Background

TRAI released the Telecommunication Tariff Order (TTO) in 1999 for the first time with a view to regulate tariff of telecommunication services throughout India. Under the TTO, tariff for majority of telecom resources is under 'forbearance', signifying that TRAI had refrained from prescribing tariffs or ceilings in respect of such services and allowed the prices to be dictated by market forces and competition between TSPs.

However, the TTO also enunciated that prices must be based on regulatory principles such as transparency. This meant that all necessary information relating to the tariff should be provided to the customer in order to enable them to make an informed choice. To this end, TRAI further amended the TTO in 2018 to include a definition of 'transparency' to mean "*the disclosure of all relevant information of every tariff plan by the service provider which enables the consumer to make an informed choice*". Further, the TTO required that the disclosed information pertaining to tariff should be *inter alia* "*accessible, accurate, comparable, complete, distinct and identifiable, explicit and non-misleading, simple and ambiguous*".

Despite the above measures, TRAI has noted that TSPs are not adequately highlighting additional terms and conditions pertaining to tariff plans or that such information is ambiguous and inaccessible, where transparency measures adopted by TSPs are not as transparent as they should be. Further, in addition to conventional tariff plans, several TSPs also offer innovative tariff plans such as Special Tariff Vouchers (STV), Combo Vouchers (CV) and add on packs with insufficient information and details. The Directions have been passed by TRAI to *inter alia* address these shortcomings.

#### Key directions passed by TRAI

In exercise of its powers under the Telecom Regulatory Authority of India Act, 1997, TRAI has passed the following directions:

- TSPs are required to publish details of each tariff plan provided by the TSP for post-paid and pre-paid customers, as applicable, within 15 days of issuance of the Directions. Additionally, details of all tariff plans should be made available

by the TSP to its subscribers at customer care centres, points of sale, retail outlets as well as on its website and app. An exhaustive list of essential disclosures (e.g. rates of usage, limits of usage, details of all cost components, inclusions and exclusions in the plan, service parameters, validity period, etc.) that need to be made with respect to a tariff plan has been prescribed.

TSPs are also required to publish details of each tariff offer in the nature of STVs, CVs, add on packs, etc. within 15 days of issuance of the Directions. Details of such tariff offers should also be made available by the TSP to its subscribers at customer care centres, points of sale, retail outlets as well as on its website and app. An exhaustive list of essential disclosures (similar to disclosures applicable in case of tariff plans) that need to be made with respect to a tariff offer has been prescribed.

- TSPs are also required to prominently highlight any additional terms and conditions that may be applicable to a tariff plan. Further, a link to the specific terms and conditions should be provided for each tariff offering. All such tariff related information should be disseminated, including on the website and mobile applications, within 15 days from the issuance of the Directions.

## Comment

The issuance of Directions by TRAI is certainly a step in the right direction to bolster customer confidence and equip them with relevant information. This will essentially enable customers to make informed decisions, which may otherwise not be possible due to "lack of information, misleading information or unclear or hard to find information". In the era of cut-throat competition in the telecom industry, transparency in respect of tariffs is quintessential. Such measures will also foster healthy competition amongst TSPs, which will ultimately benefit all stakeholders in the ecosystem.

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