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Analysing developments impacting business

REVISED TERMS AND CONDITIONS FOR NOC HOLDERS: DOT KEEPS THE BALL ROLLING

21 January 2022

While the telecom reforms initiated by the Department of Telecommunications (DoT) in 2021 continue to receive a welcoming response from the industry, the DoT has made yet another headway in this direction. On 14 January 2022, DoT issued the 'Revised terms and conditions for issue/renewal of NOC for sale/rent of International Roaming SIM Cards/ Global Calling Cards of Foreign Operators in India' that seek to streamline the procedures for no objection certificate (NOC) holders in India to bring them in line with the other licenses and registrations.

Key Highlights

Indian entities that offer for sale or rent of international roaming SIM cards / Global Calling Cards (GCCs) (collectively, Cards) of foreign operators in India are now required to comply with revised terms and conditions for the issue / renewal of NOC. Some of the key terms and conditions are given below:

➤ General Conditions

- *Tenure and renewal of NOC:* NOC will be issued for a period of 3 years and can be renewed for a further period of 3 years, at a time, by following the prescribed procedure.
- *Usage of Cards:* Cards offered to Indian customers shall only be used outside India. However, an exception may be carved out for making international roaming calls for test / emergency purposes for a few specified hours before departure and after arrival in India. The NOC holder should adhere to the time limit of activation of Cards in India, failing which it will be liable to pay a penalty for every extra hour of activation.
- *Verification of customers:* Documents such as passport copy and valid visa / travel ticket, proof of identity and proof of address, as prescribed, shall be obtained from the customers before renting / selling such Cards.
- *Periodic reports to security agencies:* Complete details of such Cards including address of the customers must be furnished to the designated agencies on a monthly basis in the prescribed format. A monthly report encapsulating a summary of details submitted to the security agencies and DoT field units should also be provided to DoT.
- *Submission of annual returns:* NOC holders should also submit annual returns to the DoT in the prescribed format and within the prescribed time.

Non-compliance of this obligation may result in withdrawal of NOC by DoT.

- *Other requirements:* All types of clearances must be duly undertaken by the company. Traffic originated from other countries for termination in India should be routed through valid international long distance (ILD) licensees / gateways. Further, procedure to be followed to issue NOC on applications which propose to offer other innovative solutions shall be decided by DoT.

➤ Operating Conditions

- *Provision of information to customers:* In the interest of transparency, NOC holders are required to provide the tariff plans along with terms and conditions as well as the contact details of the entity in India and the foreign country, while handing over the SIM to the customers. The main page of the website of the NOC holder must display all the tariff rates and contact details, including relevant links to the website of foreign service providers in the prescribed manner. Further, the type of service offered (i.e., data service, or voice service, or both) should be informed to the customer before selling / renting Cards.
- *Grievance redressal and customer care service:* Mechanisms must be put in place for the purpose of customer grievance redressal, in respect of which the escalation matrix along with functional contact details of the relevant officers should be provided to the customer. Billing grievances must be redressed within 30 days. Customer care service of the NOC holder should be either free of charge or within the applicable local call charges, which must be informed to the customers.
- *Credit limit:* If a customer purchases a post-paid international roaming SIM card / GCC, the credit limit fixed by the foreign service provider must be informed to the customer, both while selling / renting the Cards and prior to reaching the credit limit through an SMS / USSD message. Upon breach of the credit limit, services may be barred until the customer pays the required amount.

Comment

The revised rules are largely targeted towards protecting consumer interests and addressing grievances pertaining to overcharging, lack of transparency with respect to tariff plans, ineffective customer care services, etc. Notably, many of the recommendations made by the Telecom Regulatory Authority of India in this regard have been adopted under the revised policy. While the revised policy seems to be promising enough, much of its success will be dependent on the proper implementation and continued adherence to prescribed compliances by the NOC holders. In any case, the active involvement of the DoT in addressing these issues is much appreciated and it will be interesting to see how the Indian entities holding the NOC respond to the same.

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