Dated: 04-10-2025
Number: IAFI/2025-26/L-39

To,

The Joint Secretary (Telecom),
Department of Telecommunications,
Sanchar Bhawan, 20, Ashoka Road,
New Delhi- 110001

Ref: F. No. 24-07/2025-UBB (GSR-606)

Subject: IAFI comments/suggestions on the Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025 (GSR-606-E).

Dear Sir,

The ITU-APT Foundation of India (IAFI) sincerely appreciates the Department of Telecommunications (DoT) for releasing the Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025 (GSR-606). This framework is a critical step in modernizing India's regulatory environment under the new Telecommunications Act, 2023. These draft rules are based on recommendations from the Telecom Regulatory Authority of India (TRAI) dated September 18, 2024, and TRAI's subsequent response dated February 28, 2025, as a back-reference from the DoT.

IAFI has examined the consultation paper in detail and based on our review and consultations with our members, we provide the enclosed comments/suggestions for your kind consideration.

We believe that the framework proposed by DOT does not fully adopt TRAI's expert-driven and balanced recommendations**,** necessary to foster a thriving, capital-intensive telecom ecosystem in India. IAFI request the Department of Telecommunications to reconsider its proposed regulatory framework and align the same with what was proposed by TRAI after detailed consultation with all stake holders.

Specifically we propose:

1. **Full Adoption of TRAI Recommendations:** IAFI advocates for full alignment with Telecom Regulatory Authority of India (TRAI) suggestions, (**see Annex 1** – our executive Summary) that covers:
    - **Distinct Satellite Services Authorization:** IAFI urges that satellite-based telecom services should have a standalone regulatory category, not merely be treated as a delivery medium under the Access Service Authorization (which is primarily designed for terrestrial networks).
    - **Regulatory Burdens and Financial Conditions:** The draft's currently proposed fees for satellite licenses that are far higher than TRAI's recommendations: IAFI asks for

these to be reduced in accordance with TRAI's recommendations to foster capital-intensive satellite investment.

- **Service Scopes and Definitions:** Internet Service Authorization should explicitly cover Layer-2/Layer-3 VPNs, Captive Non-Public Networks (CNPNs), and Machine-to-Machine (M2M)/IoT satellite services. Licensed spectrum for these services should be usable a technology-neutral manner. Regulatory clarity is needed in how Network Service Operators (NSOs) and Virtual Network Operators (VNOs) interact under new rules, especially when providing satellite, ESIM and VSAT services.
- **Specific Clauses and Operational Proposals :** Coverage Mapping , Spectrum Assignment Stability, Geolocation and Registration, calls for flexibility in routing telecommunication traffic from Indian satellite gateways to foreign networks, enabling local breakouts and reducing latency/costs;
- **Regulatory Consistency, Transparency, and Industry Collaboration:** IAFI strongly urges continuous engagement between DoT, TRAI, and all stakeholders in the rule-making process to ensure transparency and regulatory stability.

2. **Distinct Satellite Services Authorization:** IAFI urges that satellite-based telecom services should have a standalone regulatory category, not merely be treated as a delivery medium under the Access Service Authorization (which is primarily designed for terrestrial networks). – **See Annex 2**
3. **IAFI Comments on Non satellite related proposals – See Annex 3**
4. **IAFI proposed changes to Long Distance Service Authorisation – See Annex 4**

Our detailed comments are attached as Annexure-1 to Annexure-4 with this letter.

IAFI look forward to collaborating with the DoT to ensure that the Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025, establish a robust and forward-looking framework.

Warm Regards,

Bharat B Bhatia,
President, ITU-APT Foundation of India
Vice Chairman - Asia Pacific, World Wireless Research Forum (WWRF)
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2. Addl. Secretary, Telecom
3. Member (T) /Member (S) /Member (F)
4. PS to Hon'ble MOC
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Annex 1
IAFI Comments on DOT consultation on Telecom services autorisation

Executive Summary of IAFI's Proposed Changes

1. Major Policy Redesigns

- **Adoption of TRAI Recommendations**
  - IAFI advocates for full alignment with Telecom Regulatory Authority of India (TRAI) suggestions, which emphasize:
    - Financial viability and investor confidence.
    - Light-touch regulatory regime for competition and tech neutrality.
    - Long-term spectrum allocation (suggests 20-year duration for assignments).

- **Distinct Satellite Services Authorization**
  - IAFI urges that satellite-based telecom services should have a standalone regulatory category, not merely be treated as a delivery medium under the Access Service Authorization (which is primarily designed for terrestrial networks).
  - Recognizes satellites as providing both infrastructure for licensed services (like backhaul) and independent offerings (DTH, broadband, GNSS).
  - Asserts that global best practices treat satellite communications, navigation, and Earth observation as distinct regulatory domains.

2. Regulatory Burdens and Financial Conditions

- Entry and Ongoing Fees: The draft's currently proposed fees for satellite licenses are far higher than TRAI's recommendations:
  - Entry Fee: 21x higher (₹10.5 crore vs ₹0.5 crore)
  - Bank Guarantee: 4x higher (₹2 crore vs ₹0.5 crore)
  - Net Worth: 2.5x higher (₹2.5 crore vs ₹1 crore)
- IAFI asks for these to be reduced in accordance with TRAI's recommendations to foster capital-intensive satellite investment.

- Rollout Timelines and Compliance :
  - The 12-month deployment obligation is considered unrealistic for satellite projects.
  - IAFI calls for more flexible timelines that reflect satellite industry complexities and comparable international standards.

- Reporting and Customs Coordination
  - Existing requirements for shareholding reports and customs clearance for imported satellite user terminals are deemed excessive.
  - IAFI proposes streamlined reporting for listed companies only on substantial shareholding changes.
  - Customs coordination (especially physical clearance verification) to be simplified or deferred until digital systems are in place.

3. Service Scopes and Definitions

- VPNs, CNPNs, and M2MioT
    - Internet Service Authorization should explicitly cover Layer-2/Layer-3 VPNs, Captive Non-Public Networks (CNPNs), and Machine-to-Machine (M2M)/IoT satellite services.
    - Licensed spectrum for these services should be usable a technology-neutral manner.
- Relationship between NSO and VNO

Regulatory clarity is needed in how Network Service Operators (NSOs) and Virtual Network Operators (VNOs) interact under new rules, especially when providing satellite, ESIM and VSAT services.

- GMPCS Network Definition
    - IAFI recommends the use of the term "satellite network" for consistency in regulation and licensing.

4. Specific Clauses and Operational Proposals

- Coverage Mapping
    - Mandated publication of coverage maps for satellite operators—traditionally required for terrestrial 5G but now extended to satellite providers.
    - IAFI requests distinct treatment due to coverage variances in satellite services.

- Spectrum Assignment Stability
    - IAFI asks for spectrum assignment policies that remain predictable and stable for at least 20 years, aligning with global satellite investment cycles.

- Geolocation and Registration
    - Provisions demanding highly precise geolocation of fixed satellite terminals are technically challenging.
    - IAFI urges regulatory language to match current GPS accuracy limits and avoid excessive compliance burdens.

- Use of Indian Gateways for Foreign Users
    - Calls for flexibility in routing telecommunication traffic from Indian satellite gateways to foreign networks, enabling local breakouts and reducing latency/costs.
    - Argues for lawful interception to happen in India, not mandatory for international long-distance routing.

5. Regulatory Consistency, Transparency, and Industry Collaboration

- Consultative Process
    - IAFI strongly urges continuous engagement between DoT, TRAI, and all stakeholders in the rule-making process to ensure transparency and regulatory stability.

- Notification of Rules and Navigation
    - Central Government should notify key associated rules clearly to stakeholders, using public hyperlinks to relevant documents for ease of navigation/file:1].
    - Advocates systematic publication of twelve listed rules affecting telecommunications law (e.g., interception, cyber security, network authorization).

6. Miscellaneous Technical and Operational Comments

- VSAT and Private Connectivity
    - Requests expansion of the scope for VSAT within Internet Service Authorization, enabling private enterprise connectivity—reflecting global trends and supporting business needs.
- Presumptive AGR Calculations
    - IAFI notes changes in Adjusted Gross Revenue (AGR) presumptive calculations (from 10% to 30%), urging maintaining status quo or referring contentious changes back to TRAI.
- Monitoring Infrastructure Requirements
    - Questions demand for secured space and infrastructure for monitoring in pure satellite/data services (currently only applies to some license categories).
- Failed Call Data Records
    - Calls for consistency in data requirements across different licensing categories.

7. Summary:

See enclosed Detailed comments in Annex 1 on satellite related and Annex 2 on Non Satellite related proposals.

IAFI's extensive review reveals that the current framework risks undermining India's global satellite ambitions due to misclassification, high regulatory barriers, and insufficient alignment with international best practices. IAFI proposes:

- Recognizing satellite services as distinct from terrestrial telecom.
- Adopting TRAI's financial, operational, and scope recommendations.
- Ensuring regulatory clarity, predictability, and long-term stability for satellite operators.
- Streamlining compliance and encouraging transparency for fair, informed, and innovative industry growth.

Annex 2
IAFI Comments on satellite related proposals
(see detailed proposals attached)

1. Background

- India is at a pivotal moment for satellite-based transformation, and attracting global investment requires a clear, predictable, and investment-friendly regulatory approach, anchored in international best practices and stable policy.

2. Satellite Telecommunications: Dual Role and Regulatory Needs

- Satellite telecommunications serve two roles:
- As a delivery medium for existing licensed telecom services (e.g., backhaul).
- As a standalone service with its own infrastructure, regulations, and market (e.g., DTH, GNSS, satellite broadband, ESIMs, satellite phones).
- The response advocates for regulatory clarity—where satellites are used as mere delivery media, they should follow existing telco licensing; where they are standalone services, a separate, fit-for-purpose authorization should exist, in line with global standards.
- The attempt to merge all services (different types of satellite service provision together with terrestrial services) and, therefore, try to cover all scenarios under a single license, leads to unnecessarily complicated and ultimately inadequate provisions
- It is also necessary to distinguish between satellite operators providing services directly to end users/consumers and satellite operators providing capacity to Indian Service Providers (based on the current proposals, satellite operators intending to provide capacity to service providers in India would also need a service provision license as NSOs, which does not reflect the international practice).

3. Key Recommendations: Framework and Regulatory Alignment

- TRAI's approach is viewed as balanced and supportive of investor confidence, aligning with global best practices.
- The present DoT framework diverges from this by not clearly distinguishing between these use cases and by imposing certain terrestrial-centric requirements on satellite services, leading to regulatory uncertainty

IAFI recommends:

- Adoption of a distinct authorization category for standalone satellite services, as per TRAI, to reflect international best practices and foster investment.
- Maintenance of consultative balance, upholding TRAI’s statutory advisory role for transparency, stability, and inclusion

4. Detailed Observations and Suggestions

4.1 Regulatory alignment

- Regulatory Stability: While national interest can justify modifications, most new clauses (e.g., coverage maps, rollout penalties) are being imposed unilaterally, unlike for terrestrial

services. IAFI urges seeking TRAI advice for any significant change, except those related to state security.

- Service Area Definitions: Satellite services have always operated across national territories—not within telecom circles/metropolitan perimeters. Current proposals risk fragmenting a naturally pan-India service.
- Reporting Requirements: Existing rules demand reporting every shareholding change within 15 days—excessively burdensome for publicly traded companies. A threshold for significant change is suggested.

4.2 Fee and License Discrepancies

- Bank Guarantee, net worth, and entry fee requirements for satellites are many times higher under Access Service Authorization than recommended by TRAI for satellite services. IAFI urges appropriately scaled obligations, matching the distinct scale and risk profiles.

4.3 Rollout Obligations

- Expanded and accelerated deployment timelines in current DoT proposals (mirroring terrestrial rollout expectations) are unrealistic for satellite, given the fundamental differences in infrastructure deployment cycles. IAFI calls for a customized, satellite-appropriate rollout regime.

4.4 Other Regulatory and Operational Issues

- Imposing customs coordination and import registration for satellite terminals is seen as unnecessarily onerous, especially compared to treatment for regular broadband routers and mobile devices.
- Provisions around geolocation accuracy, CNPN (Captive Non-Public Network) eligibility, and monitoring infrastructure reflect terrestrial-centric thinking, creating regulatory inconsistencies.
- IAFI highlights gaps in enabling private connectivity for enterprises under Internet Service Authorization—a critical feature for VSAT/enterprise markets as per TRAI's Vision.

5. TRAI vs. DoT: Points of Disagreement

Issue Area	TRAI Position	DoT Position
Satellite Authorisation	Create a separate service authorization for satellite (and M2M WAN); lower fees	Integrate into all main authorizations, with higher fees; treat as "technology/media" type, not a market/service type
Fee and Capital Barriers	Lower entry, BG, and net worth for satellite—promote new entrants	Higher requirements as per current Access Service paradigm
Service Area	National-level (for satellite)	Telecom circle/metro/LSA—risks fragmentation of a pan-India market
Rollout/Compliance	Customized timelines and compliance	Terrestrial-style deadlines, penalties, and coverage rules
Regulatory Change Safeguards	TRAI advice required except for state interest	DoT unilateral changes possible, citing security or public interest
VPN/Private Connectivity	Internet Service Authorisation must allow DLCs, VPNs, private enterprise networks	Initially agreed, then ambiguity over "VPN" term/regulation

- TRAI recommendation for dedicated satellite service authorisation is a better approach, citing the small, underserved nature of the Indian satellite market and the need for lightweight regulation to promote investment and new entrants—not burdensome Access Service-style controls.

6. Strategic and Operational Recommendations

- Retain the consultative process to preserve sector confidence and ensure transparent rules.
- Clarify ambiguous points, including the NSO-VNO relationship and which services each authorization scope practically enables (e.g. it is unclear why provision of IFMC under the Internet Service Authorization would fall only under the remit of an NSO and not a VNO)
- Institute clear notification of new rules and regulatory amendments, with accessible references for all stakeholders.

7. Conclusion

- India's approach now will determine satellite sector growth and long-term digital inclusion. A forward-looking, globally harmonized, investment-friendly regime—rooted in TRAI's consultative spirit and expertise—is essential.
- Ultimately, IAFI emphasizes that international capital, participation, and innovation depend on a regulatory "safe harbour" that is clear, stable, and separate for the unique needs of satellite-based communications.

Annex 3 : IAFI Comments on Non satellite related proposals (see detailed proposals in track change mode attached)

1. Definitions and Applicability

- Expanded and clarified definitions for key terms such as Access Service, Core Telecommunication Network, Critical Telecommunication Infrastructure, Captive Non-Public Network (CNPN), Virtual Network Operators (VNO), and Point of Sale (PoS), to ensure transparent and unambiguous rule interpretation.
- Affirms the technology neutrality principle—authorised entities may use terrestrial, satellite, or submarine cable networks to deliver services, subject to spectrum/security restrictions.
-

2. Authorization, Infrastructure, and Operating Provisions

- Proposes categorizing main authorizations into Unified, Access, Internet, and Long Distance Services, with enhanced distinctions for NSOs and VNOs.
- Advocates government encouragement of infrastructure sharing—mandating network capacity leasing, particularly in rural/underserved areas, to accelerate rollout and market reach.
- Clarifies the respective rights and obligations for NSOs and VNOs in establishing networks and interconnection agreements.

3. Record-Keeping, Data Security, and Privacy

- Strengthens requirements around documentation, supply chain audits, operations logs, commercial records, and subscriber data to boost compliance and traceability.
- Extends record retention periods (minimum two years; longer by government directive), maintaining subscriber, call, and exchange details in digital form.
- Mandates privacy protection, secure transmission, and non-tampering of Calling Line Identification (CLI), with actionable procedures for fraud and malicious activity detection—using AI and big data analytics.
- Requires reporting digital audit trails for all PoS user enrolment activities with time stamps and precise coordinates.

4. Domestic Traffic Routing and Data Localization

- Stipulates that domestic traffic must not be routed outside India, with exceptions only for permitted satellite and submarine cable use.
- Introduces stringent data localization: financial, operational, and authentication data generated in India must be stored within the country unless specifically exempted.

5. Security, Trusted Products, and Cyber Compliance

- Outlines thorough rules for procurement, deployment, and reporting of “trusted products” from “trusted sources”—with compliance verification, end-of-life disposal protocols, and adherence to environmental e-waste norms.
- Mandates cyber security monitoring and reporting to CERT-In on breaches, outages, and incidents.

- Establishes vendor blacklist procedures in the event of security breaches—requiring their inclusion in supply contracts.
-

6. Technical Standards, Call Handling, and Interconnection

- Details technical guidelines to prevent tampering/spoofing of CLI, promoting use of standardized numbering plans and security protocols.
- Ensures international calls without proper CLI or improper CLI are dropped; mandates ITU-T E.164 standard adherence.
- Codifies requirements for lawful interception systems with redundancy at all relevant network points; specifies monitoring standards for simultaneous calls and user activity.

7. Point of Sale (PoS), Digital Onboarding, and User Verification

- Requires registration and agreement for every PoS provider, including mandatory identity (biometric), physical address verification, and periodic police checks.
- Enforces unique PoS ID allocation and real-time database sharing with authorities.
- Mandates periodic training for PoS employees on user verification, privacy, and fraud control, with assessment and logging of participation.

8. Remote Access, Monitoring, and Government Oversight

- Sets conditions for remote access to telecommunication networks from outside India—requiring Central Government approval, with strict audit trails, session logs, and mirror monitoring.
- Applies least-privilege principles and one-year log retention for domestic vendor remote access.
- Obligates the entity to suspend services accurately in government-designated areas and provide monitoring facilities for authorized inspections.

9. Interconnection, Routing, and Long Distance Services

- Clarifies mandatory interconnection protocols between service providers and gateways, especially at Points of Presence (PoP).
- Specifies that national and international long distance traffic, IPLC, and calling cards are within authorized scope, with rules for leasing bandwidth domestically and internationally.
- For VNOs, restricts ownership of underlying core facilities; use via agreements only.

10. Financial Conditions and Penalties

- Demands clear separation and maintenance of revenue accounts at circle/metro level for adjustable gross revenue (AGR), with full compliance to TRAI/Government notifications.
- States that civil penalties for rollout failures can trigger withdrawal of assigned spectrum.
- Specifies financial terms (processing fee, entry fee, initial guarantee) for various service authorizations in transparent tables.

11. Cable Landing Stations and Submarine Cable Rules

- Details permissions, vetting, and operational requirements for establishing and maintaining cable landing stations (CLS).
- Promotes non-discriminatory access and co-location for authorized entities—aligning with TRAI direction.
- Enforces restoration and timely repair provisions for submarine cables after faults.

12. Conclusion

- These IAFI recommendations strengthen security, transparency, and efficiency in telecommunication operations. The changes promote infrastructure sharing, robust data protection, careful monitoring, and clearly defined responsibilities for all service providers, vendors, and points of sale. Most critically, they align India's telecom rules more closely with international best practices, laying the foundation for a resilient, innovative, and inclusive digital ecosystem.

Annex 4
IAFI Comments on Long Distance Service Authorisation (LDSA)

Background for the Submissions

1. India's digital economy is witnessing unprecedented growth and, at the same time, is rapidly emerging as a global hub for digital enterprises. Increasingly, multinational companies are establishing backend and support operations in India, making the country an integral part of their global digital networks. For such enterprises, seamless connectivity and enabling regulatory frameworks are critical to ensure that their Indian operations are effectively integrated with global systems.

2. In this context, the government's recent publication of the draft Telecommunications (Authorisation for Provision of Main Telecommunication Services) Rules, 2025 ("**Draft Rules**") under the Telecommunications Act, 2023 ("**Telecom Act**") marks a significant reform. The introduction of the composite 'Long Distance Service Authorisation' ("**LDSA**") under the broader framework is a welcome step. **By combining the scope of both national and international long-distance services under a single authorisation, the aim of the LDSA to reduce duplicity and compliance burdens is another welcome step**.

3. This reform is particularly important for both '***telecom service providers***' and '***digital enterprises***' (or customers) for facilitating global connectivity. Entities granted this authorisation can now provide both domestic and international services under a single authorization, allowing customers to avail **integrated connectivity solutions** from one authorised provider, instead of engaging multiple telecom service providers. This will streamline operations for digital enterprises with global footprints, foster foreign investment, spur innovation, and advance India's ambition of becoming a global digital and data centre hub.

4. Notwithstanding the progressive intent, the LDSA carries forward several legacy compliance requirements from the Unified License (UL) and, when read with the Telecom Act, appears to introduce incremental obligations on authorised entities. Collectively, these measures risk undermining the LDSA's objective of catalysing growth – by increasing entry barriers (for new entrants) and increasing on-going compliance costs for existing licensees as well. This, in effect, will dampen the FDI appetite of this sector. Therefore, in order to avoid such business roadblocks, the framework should be recalibrated on critical aspects. **A more light-touch LDSA is crucial to India's digital-hub ambition, given that point-to-point and backend connectivity depends on LDSA-authorised entities, who remain a foundational pillar of the telecom sector and global digital connectivity.**

5. In view of the above, it therefore becomes imperative that the Government re-assesses some of the legacy compliance obligations under the Draft Rules applicable to LDSA authorized entities in general, including which may be flowed down to customers of LDSA entities.

List of rules and reason for the changes proposed by IAFI For recommendations on the LDSA

1. Draft Rules, 2(1)(bbb)

The current definition of 'long distance network' may be misinterpreted to include only local networks for national long distance services (and exclude international connectivity with foreign carriers for users outside India).
Therefore, IAFI recommend the deletion of the reference to 'local' in this definition. This clarity will be essential for authorised entities seeking to provide IPLC, and will avoid regulatory uncertainty.

2. Draft Rules, 2(1)(uuu)

The Draft Rules (under Rule 8(2)) already requires compliance in relation to foreign investments including: (a) with FDI policy and regulations, and (b), in respect of direct or indirect foreign investors.
Therefore, if necessary, the definition of 'prohibited investors' should only relate to domestic investments – which are under the remit of SEBI regulation.
Accordingly, the LDSA need not include bespoke provisions on domestic investment regulations. Introducing such incremental telecom-specific investment controls may: (a) create business uncertainty, (b) deter new entrants and scale-ups, and (c) risk chilling FDI inflows into long-distance infrastructure.
Therefore, IAFI submit that the DoT may adopt a light-touch, de-duplicated approach regarding investment controls.

3. Draft Rules, Rule 10(2)

IAFI proposed the inclusion of a 45 day timeline for determining eligibility to ensure regulatory certainty and predictability for applicants. Introducing this timeline will help avoid undue delays in the processing of applications, reduces the risk of business disruption and enables applicants to plan their operations and investments with greater clarity.

4. Draft Rules, Rule 16(3)

IAFI have recommended that the reporting timeline be modified to require authorised entities to submit shareholding change reports by 15 January of each year, rather than within fifteen days of every change. This modification reduces the administrative burden on entities and avoids piecemeal reporting, while still ensuring that the Government receives timely and comprehensive information on ownership changes.

5. Draft Rules, Rule 38(1)(a), (b), (c), (d), (g) and (k)

1. LDSA and other telecom authorisations are the backbone of India's digital-connectivity ambitions and should therefore be implemented through a light-touch, proportionate framework.
2. Prescriptive and cumbersome obligations relating to non-discrimination, record-keeping, waiting list, if applied stringently, risk unintended consequences, such as creating entry barriers (particularly for new and regional players), slowing network roll-out, and impacting the ability of existing licensees to scale.
3. To preserve investment appetite and operational agility while safeguarding users, IAFI recommend that these obligations be: (a) articulated on a best-endeavour basis, (b) subject to feasibility, and (c) without limiting the discretion of the parties to enter contracts on mutually agreed terms.
4. Further, specifically with regard to billing and associated record-keeping obligations, IAFI recommend that such requirements may be driven by: (a) TRAI directions, and (b) consumer protection laws – which should suffice, without requiring any incremental obligations being imposed under the Draft Rules.

5. Similarly, subscriber verification, especially under the LDSA framework should be required only through such methods of verification as is determined appropriate by the authorised entity in its discretion (for e.g., as is being currently undertaken by digital service providers under the IT Act). Any additional verification requirements under the Draft Rules will result in onerous and cost-prohibitive compliance obligations, which will also delay rollouts and expansions.
6. Further, while maintenance of user records or providing traceable identity of users may be required for operational and legal purposes, however, any governmental requisition of such records should be strictly limited to lawful, due-process–based requests on narrowly defined grounds (e.g., national security) by a competent authority. This will also make the Draft Rules consistent with India's privacy framework, and align with the privacy principles under the Telecom Act and Draft Rules.

6. Draft Rules, Rule 45(3), (6), (8) and (9)

7. Draft Rules, Rule 32(2), (3), (5), (6) and (7)

1. The Draft Rules, in their present form, impose extensive obligations on authorised entities to ensure compliance with multiple layers of requirements, including technical standards, conformity assessment measures, clock synchronization, quality of service benchmarks, procurement restrictions, and sourcing from trusted vendors.

2. Excessive compliance requirements, particularly at the procurement and technical standards level, may deter investment, hinder timely rollout of new technologies, and affect India's competitiveness in the global digital economy. Further, prescriptive standards and procurement restrictions risk becoming outdated quickly given the rapid pace of technological change. A more light-touch approach would better allow authorised entities to adapt while still meeting security and interoperability goals.

3. Relaxation of overlapping or onerous requirements would also reduce entry barriers, enable smaller players to participate meaningfully, and ultimately enhance competition and consumer choice.

4. To balance the need for adherence to technical standards with the objective of promoting ease of doing business, IAFI recommend that these obligations be: (a) articulated on a best-effort basis, (b) assessed on the principle of substantial conformity rather than strict compliance, and (c) implemented through a self-certification mechanism.

5. Further, specifically in relation to the current obligations relating to "trusted source", IAFI submit that these obligations are overly prescriptive, narrowing equipment and technology choices, slowing deployment, and dampening innovation and supply-chain diversification. IAFI, therefore, recommend replacing it with a "Restricted Equipment" regime, which can be a risk-based negative list under which equipment is generally permitted unless expressly designated as restricted based on transparent, security-driven criteria. This approach is

technology-neutral, accelerates rollouts, lowers total cost of ownership, and preserves access to state-of-the-art technology, while still meeting security objectives.

8. Draft Rules, Rule 54(1) to (11)

(sub-rules 2 to 11 to be deleted)

9. Draft Rules, Rule 52

1. The Draft Rules impose extensive obligations on authorised entities to maintain facilities for calling line identification (CLI), prevent tampering or spoofing, ensure presentation of CLI to users, detect and block false or spoofed CLI, provide geographical location of users, and support malicious call identification. While these objectives are important from a security and consumer protection standpoint, strict and universal application of these obligations may not be practical or proportionate in all cases, especially where authorised entity is not providing telecom services involving voice-calling.

2. Further, mandating that CLI is never tampered with and requiring systems for identification/prevention of spoofed CLI may not be fully feasible, particularly for international incoming calls where manipulation occurs outside India's jurisdiction.

3. Additionally, the requirement to provide real-time geographical location of users, including latitude/longitude of BTS, raises concerns about data minimisation and proportionality under privacy principles. Without strict safeguards, there is risk of misuse, over-collection, or breaches of data, unless backed by a lawful request on the limited ground of national security.

4. In light of the above, IAFI recommend that:

(a) compliance obligations be applied only where they are applicable, feasible and relevant to the nature of services being provided, and
(b) requests for information be permitted strictly under lawful request on grounds of national security;

10. Draft Rules, Rule 84

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11. Draft Rules, Rule 48

1. The Draft Rules require authorised entities to store in India all accounting information and user information, with limited exceptions for international roaming, IPLC users, and foreign roaming users.
2. Enterprises with global operations – and as prospective LDSA authorised entities or customers of such authorised entities – rely on interconnected data centres across jurisdictions to ensure resiliency, redundancy, and efficiency. Mandatory storage of all data in India fragments global data flows, complicates data management architectures, and prevents enterprises from leveraging global monitoring, billing, and security functions.

3. IAFI, therefore recommended that disclosure be permitted to affiliates, subsidiaries or group companies of the authorised entity within or outside India.

12. Draft Rules, Rule 57

1. The Draft Rules require authorised entities to seek prior approval from the government for any remote access to their telecommunication network from outside India. It also prescribes conditions such as approval of specific access locations, prohibition on accessing interception systems or sensitive data, mirroring of remote access information in India, and maintaining a six-month audit trail of remote access activities.

2. Given telecom service providers run large, complex, multi-vendor networks, remote access by OEMs, integrators, and global security teams is an operational necessity. Seeking government approval for every instance of remote access is unworkable given the volume and frequency of such activities. Additionally, the timeline for grant of approval, if not specifically capped, can also cause significant operational delays.

3. IAFI accordingly recommended:

(a) requiring remote access approvals only for remote access from restricted locations outside India, which may pose threat to national security, as may be notified by the Government

(b) clarification that the approval will be a one-time process;

(c) timeline for grant of approval by the Central Government;

(d) the inclusion of an express exemption from remote access approvals for remote access by OEMs (unless identified as a 'restricted source' by the designed authority), as long as they comply with requirements relating to maintenance of audit trail.

13. Draft Rules, Rule 41

1. The Draft Rules prohibit authorised entities from employing bulk encryption equipment in their telecommunication networks, and allows the Central Government to evaluate any encryption equipment connected to such networks.
2. Bulk encryption is built into many contemporary telecom and IT systems, in order to ensure confidentiality and privacy, which is also an obligation prescribed by the DoT itself. It is critical for defending networks against cyber threats and for protecting user data. Government's concern regarding lawful access can be addressed by requiring authorised entities to arrange for intelligible content upon lawful direction, rather than prohibiting bulk encryption altogether.
3. IAFI accordingly recommended that authorised entities may be able to deploy encryption, as long as they can arrange.

14. Draft Rules, Rules 43(3) to (8)

1. The Draft Rules impose extensive obligations on authorised entities to establish, operate, and bear the cost of lawful interception and monitoring (LIM) facilities, integrate with centralised monitoring systems (CMS/IMS), provide dedicated bandwidth for interception, allow physical access to government agencies, support inspection and training of officials and provide access to its telecommunication network and other facilities as well as to books of accounts.

2. Presently, the Draft Rules require that LIM facilities be integrated with CMS/IMS prior to the commercial launch of telecommunication services. This creates unnecessary compliance and cost burdens, especially where networks are rolled out in phases or tested in non-commercial environments.

3. Therefore, the obligation to establish LIM (and obtaining associated clearances) should apply only at the time of commencement of the services by the authorised entity (and not merely at the infrastructure-deployment stage). IAFI accordingly recommended that LIM facilities should be deployed when the authorised entity actually commences provision of commercial services to users, not at the stage of establishing or testing the network.

4. In addition, it is essential to provide regulatory certainty that an authorised entity may utilise the same LIM facilities for ILD and NLD networks, in order to ensure optimum utilisation of telecom resources and reducing the cost, compliance and operational burdens on authorised entities.

5. Additionally, requiring operators to bear the cost of interception systems, monitoring centres, etc., (which are for the purposes of access by the Central Government), disincentivises private and foreign investment in subsea cables and CLS in India. Enterprises may instead prefer to land cables or establish backend network in jurisdictions where private infrastructure is not treated as a public telecom service. Establishing LIM involves substantial capital and operational expenditure for authorised entities. To ensure that the burden does not disproportionately impact service providers and deter investment, it is recommended that the Government should bear the associated costs, including: (a) provisioning of connectivity and bandwidth for LIM integration, (b) allocation of required space at the authorised entity's premises for hosting LIM facilities, and (c) training of government officials.

6. Further, access for government authorities should be strictly confined to the designated LIM facilities. Extending such access to an authorised entity's network or books of accounts would compromise the integrity of operations, undermine business confidentiality, and expose commercially sensitive information

7. Lastly, provisions related to interception, monitoring and decryption are already comprehensively governed under the Information Technology Act, 2000 and its rules. To ensure

regulatory coherence and prevent overlapping compliance burdens on authorised entities, the LIM obligations should ideally not be duplicated as they are already covered under another framework.

15. Draft Rules, Rule 83 (9)

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16. Draft Rules, Rule 40 (1)

1. The Draft Rules empower the government to access and inspect sites where telecommunication equipment and networks are established, including within a user's premises, and to audit processes or systems to monitor compliance with the rules. It also allows inspections without notice if immediate action is deemed necessary in the public interest.

2. The current language allows Government access to *any user premises* where telecom equipment is deployed. This could include enterprise offices, or private customer locations many of which are outside the authorised entity's control. Such wide authority is disproportionate and creates privacy, contractual, and liability concerns for both authorised entities and their customers.

3. IAFI accordingly recommended limiting inspection to (i) premises hosting core network elements and (ii) situations where there is a specific lawful order.

17. Draft Rules, Rules 49 (1) to (4)

1. The Draft Rules require authorised entities to maintain extensive documentation, including software details, supply chain information, operation and maintenance manuals, and command logs. It also requires storage of Subscriber Data Records ("**SDR**"), Call Data Records ("**CDR**"), and similar information for a minimum of two years, with provisions for extended retention if directed by the government. Additionally, all authorised entities are required to provide call data records of specified calls handled by their networks to authorised agencies.

2. The obligation to maintain real-time command logs for 12 months, digital archives for 24 months, and provide CDRs upon request imposes significant storage and reporting costs.

3. Mandating disclosure of operational records, software supply chain details, and command logs to Government agencies also risks exposing sensitive enterprise data, trade secrets, and cyber-security practices.

4. IAFI accordingly recommended removal of incremental provisions which have been incorporated in addition to the UL and relaxation of the other compliance heavy provisions.

18. Draft Rules, Rule 33 (3)

1. The Draft Rules require authorised entities to provide the government with location details of all network elements, mapped on a GIS portal. It further mandates that all systems be located within authorised service areas (except for specified cloud-hosted or satellite services), and imposes domestic storage obligations for all associated data.

2. The requirement to store all data and systems associated with telecom networks in India is overly broad. Particularly, not all telecom related data is sensitive and therefore, their transfer / storage in countries outside India carry no national security risk.

3. Additionally, imposing GIS mapping, prior approvals, and domestic storage requirements across all network elements used by long distance network operators creates administrative burdens, compliance risk, and confidentiality concerns. It also hampers the ability of global enterprises to seamlessly integrate Indian long distance infrastructure with their global networks.

4. IAFI accordingly recommended: (a) limiting data localization of only such data and information as may be specified, excluding operational and network performance data, and (b) disclosure be permitted to affiliates, subsidiaries or group companies of the authorised entity within or outside India.

19. Draft Rules, Rule 83 (3)

1. The Draft Rules require that an authorised entity shall not refuse direct interconnection of its telecommunication network with the Point of Presence ("**PoP**") of another authorised entity or licensee providing access services, where both PoPs are located at the same station.

2. While this rule may be intended to promote openness and prevent discriminatory practices, it is not feasible to set up direct interconnection with every operator. In particular, this would result in operational inefficiencies and undue technical complexity. Even where interconnection is feasible, the quality and capacity of the link is critical, as establishing interconnection without ensuring adequate mutual capacity would cause a significant impact on the operations.

3. IAFI accordingly recommended interconnection should be a permissive right, rather than a mandatory obligation and where feasible.

20. Draft Rules, Rule 83(12)

1. IAFI added this clarification to expressly provide that an authorised entity may also lay submarine cables within Indian territorial waters, in addition to establishing CLS. This addition is necessary because the scope of the authorisation could otherwise be read narrowly to cover only the landing and operation of submarine cables at the CLS, without explicitly recognising the right to lay and maintain cable segments that pass through India's territorial waters.

2. Further, although the initiative to ensure availability of cable repair ships in Indian territorial waters is a welcome step, however, the participation in a consortium for such works should be optional and discretionary. IAFI therefore proposed flexibility for authorised entities in participating in consortia and related terms.

21. Draft Rules, Rule 83(12)(b)(vi)

1. IAFI recommended the inclusion of an explicit clarification that LIM requirements should not apply to transit international traffic that does not terminate on Indian telecommunication networks.

2. Since such traffic neither originates nor terminates in India, subjecting it to interception obligations would be technically infeasible and inconsistent with global submarine cable practices. Exempting this category of traffic from LIM requirements will align the framework with international regulations, reduce unnecessary compliance burdens, and ensure that India remains an attractive hub for submarine cable connectivity without compromising national security interests.

22. Draft Rules, Rule 83(12)(b)(viii)

1. The Draft Rules require that equal access to facilities at the CLS, including landing facilities for submarine cables of other authorised entities, be provided on a non-discriminatory basis in line with TRAI regulations or directions.

2. However, to preserve investment appetite and operational agility, IAFI recommend that these obligations be: (a) articulated on a best-endeavour basis, (b) subject to feasibility, and (c) without limiting the discretion of the parties to enter contracts on mutually agreed terms.

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