Liberalisation of OSP Guidelines

9 November 2020

In brief

Recently, the Ministry of Communications, Department of Telecommunications (DoT) has issued the revised Other Service Provider (OSP) Guidelines[1] (Revised Guidelines). These Revised Guidelines aim to significantly improve the ease of doing business for the Information Technology industry including Business Process Outsourcing (BPO)/ IT-enabled Services (ITeS) sectors, by reducing the compliance burden.

The Revised Guidelines have removed registration requirements and excluded entities providing non-voice-based services from the ambit of the OSP guidelines.

The key changes as per the Revised Guidelines are summarised below.

In detail

Key revised definition

- Authorised Telecom Service Providers Provisioned Virtual Private Network (VPN), means a network formed by the interconnection between OSP centres using leased circuits/ Multi-protocol Label Switching VPN (MPLS VPN), etc., from authorised licensees, for data transfer among the OSP centres.
- OSP is an Indian company, registered under the Indian Companies Act, 2013, or a Limited Liability Partnership (LLP) registered under the LLP Act, 2008, or a partnership firm, or organisation registered under the Shops and Establishment Act or a legal person providing voice-based BPO services.
- OSP centre means the infrastructure of an OSP at a location in India.
- Point of Presence (PoP) is a location where OSP places equipment, such as Private Automatic Branch Exchange (PABX), Interactive Voice Recording System, etc., to act as an extension of its OSP centre for collecting, converting, carrying and exchanging the telecom traffic related to its services.

No registration and approval requirement

- The requirement of obtaining OSP registration from the DoT and approval for sharing infrastructure has been removed.

Special dispensations outlined

- Permissibility to OSPs for the collection, conversion, carriage and exchange of the Public Switched Telephone Network (PSTN)/ Public Land Mobile Network/ Integrated Services Digital Network traffic over virtual private network such as National Private Leased Circuit, MPLS VPN interconnecting different OSP centres.
- Permissibility to carry the aggregated switched voice traffic from their PoP in a foreign country to their OSP centre in India over leased line/ MPLS VPN.
- Interconnectivity of two or more domestic and international OSP centres of the same company or group of companies is permitted.

[1] Guidelines for Other Service Providers (OSPs) dated 5 November 2020

- Interconnectivity between OSP centres belonging to different OSP companies is now permitted.
- OSP may also operate by sharing infrastructure and adopting centralised EPABX (i.e. distributed architecture of EPABX).
- The requirement of furnishing any bank guarantee has been removed.
- Interconnection of remote agent to the OSP centre/ resources is permitted.
- An OSP having multiple centres may obtain an internet connection at a centralised location, and this internet can be accessed from other OSP centres using lease circuits/ MPLS VPN.

Work-from-home

- OSP may also operate as work-from-home (WFH) and work-from-anywhere (WFA) in India.
- WFH and WFA shall be treated as extended agent position/ remote agent of the OSP. The remote agent is also allowed to work from any place within India. However, OSP shall be responsible for any violation related to toll bypass.

Sharing of infrastructure for OSP centres

- OSPs are allowed to share common EPABX for international OSP centre, domestic OSP centre and PSTN lines for office use, subject to the OSP ensuring that there is no bypass of the network of the Authorised Telecom Service Providers.
- Distributed architecture of EPABX (main EPABX at a centralised location and media gateways at individual OSP centres) for OSP centres across India is permitted, where the EPABX is owned by the OSP. However, the OSP is required to preserve the Call Detail Records (CDRs) for all the voice traffic carried using the EPABX. The CDRs shall be segregated for each media gateway.
- OSPs are permitted to interconnect with the same company or the same group of companies for internal communication and for its operations.

Other key considerations including security conditions

- Bypass of licenced International Long-Distance Operator and National Long-Distance Operator should not occur.
- EPABX at foreign location in case of international OSP is now allowed, subject to compliance with the requirements of relevant provisions of Indian laws, including applicable data privacy laws. The OSPs would also be required to maintain copies of the CDRs and system logs in storage at any of its OSP centres in India.
- OSPs are required to preserve the CDRs for all the voice traffic carried using the EPABX (segregated for each media gateway) and the timestamp in the CDRs in the system of the OSP should be synchronised with the Indian standard time. It should be possible to view the CDR data along with details of the agent manning the position by remote login to the CDR machine/ server.
- The location of the EPABX and the client's data centre, in case of domestic OSPs, needs to be within India.
- In case of EPABX installed at locations other than the OSP centre, the remote access of all call data records, access log, configurations of EPABX and routing tables shall be made available on demand by the authority/ law enforcing agencies from at least one of the OSP centres.
- The OSP shall extend support to the authority in tracing any nuisance, obnoxious or malicious calls, messages or communications transported through its equipment and network.

The takeaways

The liberalisation of the OSP Guidelines is a significant step in reducing the onerous compliance requirements on the BPO/ ITeS sectors under the erstwhile guidelines.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact your local PwC advisor.

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