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THE CURIOUS CASE OF OSP GUIDELINES 2020

*In these exciting times for outsourcing sector, Khaitan & Co, ACTO and BIF are hosting a webinar on the hot topic of New OSP Guidelines (**New Guidelines**). Mr Sharad Trivedi, DDG, Department of Telecommunications will grace us with his presence along with other industry leaders. Please register using the link provided in the email.*

We have endeavoured to shed light on few crucial topics under the New Guidelines below and do join us for some scintillating conversations around these pressing issues.

In what is termed as the biggest relief for India's outsourcing industry, the Department of Telecommunications (**DoT**) has overhauled the existing set of terms and conditions applicable to other service providers (**OSPs**) and issued the New Guidelines. The New Guidelines appear to be Godsent for the industry and favourable looking provisions are likely to catapult India's outsourcing industry to the top echelons. However, questions have emerged whether there are missing blocks in the puzzle?

NO REGISTRATION REQUIREMENT

In a huge development, OSPs no longer have to file an application for registration and follow the tedious process to seek approval in order to commence services. This one deft step will garner massive attention from foreign investors.

REDUCING PAPERWORK AND CUMBERSOME COMPLIANCES

The extent to which DoT has sought to cut down compliance burden is commendable. Not only has the requirement to provide bank guarantees been done away with across the board, the requirement to sign specific agreements with DoT (as was the case earlier for sharing of infrastructure, work from home, etc.), submit Annual Returns and network diagrams for each change have been shown the door by DoT.

BIG RELIEF FOR WORKFORCE AND EMPLOYERS

The New Guidelines allow employees of OSP centre to work from home or *work from anywhere*, while providing ample flexibility on mode of connectivity as a notable departure to the previous regime. This is a big relief as employees now have an option to return to native places and save on rent and other costs of metropolitan cities. Moreover, this is also a significant opportunity for educated rural population who have constraints in leaving their homes for employment and now can at least prove to be efficient cogs in gargantuan wheels of the outsourcing behemoths. A lot of companies can now downscale or close down multiple sites and save on lease rentals along

with huge operational costs. This also keep concerns regarding disclosure of personal information at bay, which was earlier giving sleepless nights to many.

GREEN LIGHT TO THE FOREIGN EPABX

To address the elephant in the room, DoT has now permitted deployment of EPABX at a foreign location for international OSPs subject to certain safeguards. This is undoubtedly a big incentive for MNCs who have found it challenging to deploy an EPABX in India.

PERMISSIBILITY OF SHARING INTERNET BANDWIDTH

As a standout measure, the New Guidelines permit an entity with multiple OSPs to obtain an internet connection at a centralized location within India in a prescribed manner. This will prove to be enormous cost saving for entities with several OSP units.

IS IT SELF-ASSESSMENT NOW

No doubt it is a breather that ambiguous definition of Application Services has been phased out, however, New Guidelines defines OSPs as those providing voice based BPO services. The question is, where does a company draw a line to ascertain whether sporadic voice calls made by it to a client and whether it will categorise them as an 'voice-based BPO' or not. Whether companies are expected to self-assess and comply with requirements of New Guidelines will have to be seen.

CRYPTIC ON CIRCUITS

While DoT's stentorian voice through New Guidelines will benefit many, it would have been remarkable to expressly clarify on whether telecom resources (like MPLS or internet circuits) procured for general office purposes and activities other than OSP could be utilised by OSP centres (or vice-versa). In the past, companies have had to make significant expenditures on duplicative telecom resources for their OSP and other activities which has been a persistent issue for the past several years.

STILL HAZY ON CLOUD

The TRAI recommendations and industry's voice pitching for cloud services to be utilised by OSPs seem to be unaddressed in the New Guidelines as they are silent on this aspect.

DOMESTIC OPERATIONS BY INTERNATIONAL OSPs

To ease the operational quandaries, TRAI had recommended that domestic operations by international OSPs should be allowed subject to certain conditions. Considering the widespread nature of the issue, this unresolved subject matter may require DoT's attention in near future.

In case you have any queries, feel free to share it with us in advance (events@khaitanco.com) and we will try to address those aspects during our session.

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