

## ERGO

*Analysing developments impacting business*

### DOT'S SUBSCRIBER VERIFICATION PROCESS GETS AN UPGRADE

4 September 2023

On 31 August 2023, the Department of Telecommunication (DoT) issued a notification addressed to all telecom licensees setting out instructions to further streamline the subscriber verification process (Notification). The Notification was prompted by the regulatory requirements under the terms of the Unified License (UL), which requires all licensees to ensure adequate verification of customers before enrolling them as subscribers, facilitating SIM swap or replacement, and to comply with related subscriber verification obligations. Based on stakeholder inputs, the DoT has now issued an amendment / addendum to the existing instructions with an aim to enhance and fortify the subscriber verification requirements.

#### **Key Features of the Notification**

- a. *Discontinuation of bulk connections and introduction of business connections:*

The DoT has notified the discontinuation of the process of issuing mobile connections under the bulk category, and introduced a new category called 'business connections' in its place. In order to effectively regulate the issuance of 'business connections', the DoT has laid down a set of guidelines applicable to licensees. These guidelines include the information and documents to be obtained from the authorised representatives of the entities, process for verification of details, process for activation of SIMs for business connections, disconnection of business connections etc.
- b. *Auto population of details through QR code scanning of Aadhaar:*

In order to minimize the risk of manual errors while filling customer acquisition forms (CAFs), the DoT has introduced a progressive and technologically advanced initiative. In this regard, it has stipulated the auto-population of demographic details of the customer by scanning the QR code of Aadhaar in the prescribed form. Additionally, licensees are also required to strictly ensure that no editing is permitted for such captured details of the customer. Mobile connections in respect of which the auto-populated details are gibberish, non-recognizable or unmatching, shall not be activated.
- c. *Modification in Aadhaar based e-know-your-customer (e-KYC) process:*

In the Aadhaar based e-KYC process, licensees are permitted to use fingerprint, iris or face authentication for the purpose of biometric authentication of customers. Additionally, the KYC app of the licensee shall use a watermark in a readable form, having prescribed details such as CAF number, global positioning system (GPS) coordinates, point of sale (PoS) name, etc.
- d. *SIM swap / replacement:*

For the purpose of SIM swap / replacement, in case the earlier SIM card is either lost or not working, the DoT has notified that the licensee should follow either e-

KYC process or digital KYC process. Additionally, steps have also been prescribed to ensure that activation of the new SIM card takes place only after the demographic details are captured for the SIM swap / replacement and match with the details available in the licensee's database for the same Mobile Station International Subscriber Directory Number (MSISDN).

e. *Capturing GPS coordinates:*

Prior to the activation of a new SIM, a licensee is required to ensure that the GPS coordinates captured during the process are within the area of operation of PoS. Importantly, no editing should be possible or permitted for the captured details of the GPS coordinates.

f. *Reallocation of disconnected / deactivated connection:*

The MSISDN of a subscriber that has been deactivated or disconnected should not be allocated to any other subscriber until the expiry of 90 days from the date of deactivation / disconnection. If directions for re-activation are received from the DoT or a law enforcement agency before 90 days, then the licensee should immediately re-activate the mobile connection.

g. *Provisioning of CAF to subscriber:*

Licensees are required to mandatorily provide a copy of CAF in password-protected mode to the subscriber in the prescribed medium. Such records must also be preserved for establishing the delivery.

### **Effective date and exclusions**

It is worth noting that these amendments / addendums to the existing instructions are applicable with effect from 1 October 2023. However, the DoT has clarified that the instructions set out in the Notification are not applicable for 13-digit M2M SIMs.

### **Comment**

The Notification has been introduced by the DoT in continuation of its efforts to simplify and streamline processes in the telecom sector and to further the ease of doing business. These amendments signify a proactive stance by the DoT in aligning the telecom sector with the growing demands of security and accountability. The measures reflect a commitment to providing telecom subscribers with the highest standards of service, by way of ensuring enhanced security, reduction in human errors and improvement in the overall efficiency of the subscriber verification process. In essence, the Notification has been introduced with an objective to cater to all players in the telecom service ecosystem.

While the subscriber verification process occupies a pivotal position in the licensee's obligations in the telecom sector, it will be interesting to see how these forward-looking measures will interplay with the new Digital Personal Data Protection Act 2023 and the forthcoming Indian Telecommunications Bill 2022, which is currently awaiting finalization.

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