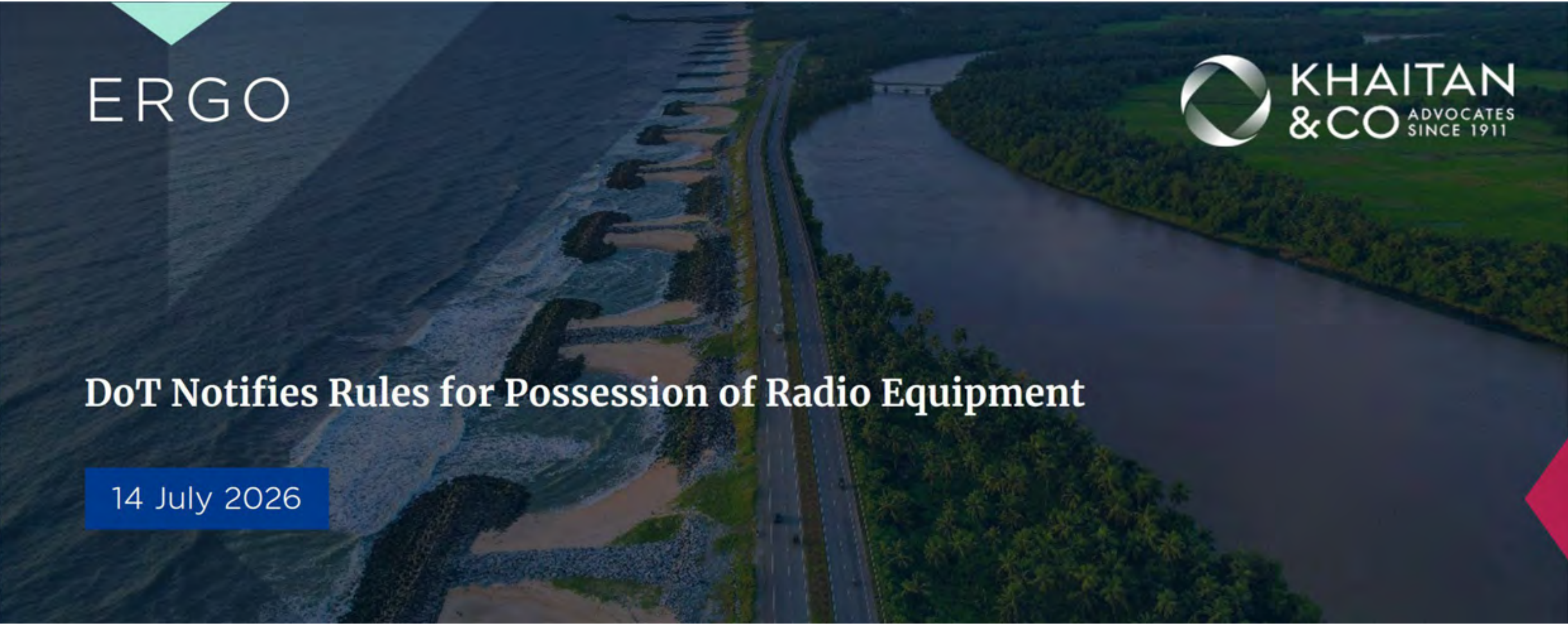

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DoT Notifies Rules for Possession of Radio Equipment

14 July 2026

On 8 July 2026, the Department of Telecommunications (DoT) has notified the Telecommunications (Radio Equipment Possession Authorisation) Rules, 2026 (Rules). The Rules operationalise the authorisation requirement under Section 3(1)(c) of the Telecommunications Act, 2023 (Telecom Act) for possession of radio equipment, while also identifying categories of persons and equipment for which a separate possession authorisation is not required.

The Rules are relevant for companies that handle radio equipment as part of their products, operations or testing activities (such as telecom and network equipment manufacturers, importers and distributors), companies that sell or lease wireless devices, companies undertaking product trials, proof-of-concept deployments involving radio equipment. They will also be relevant to businesses procuring specialised wireless equipment for internal use.

The Rules come after the draft Rules (Draft Rules) were released in 2025. The Rules materially recast the Draft Rules with changes to the authorisation structure, eligibility, testing-only use cases, exemptions, equipment traceability and disposal.

Background

The Draft Rules contemplated two categories of radio equipment possession authorisation, viz., (a) Dealer Possession Authorisation and (b) Special Possession Authorisation. The Rules do not retain these two categories. Instead, an eligible person may apply for an authorisation where it intends to:

a) deal with radio equipment through manufacture, purchase or import for sale, letting for hire, repair, testing or demonstration; or

b) import, purchase or hire radio equipment solely for testing or demonstration.

The authorisation issued <u>must</u> specify which of these purposes is it issued for.

The distinction in the Rules is based on the purpose for which the equipment is proposed to be possessed (purpose-specific applications), rather than on the classification of *Dealer Possession Authorisation* and *Special Possession Authorisation*. The Rules also expressly prescribe the categories of persons eligible to apply. These include companies and limited liability partnerships compliant with applicable foreign direct investment requirements; persons, including partnership firms and sole proprietorships, holding an applicable licence, permit or registration to carry on a trade or business; specified government entities and agencies; and persons holding a licence under the Indian Wireless Telegraphy (Possession) Rules, 1965.

This is more specific than the Draft Rules, which did not define the specific criteria for Special Possession Authorisation and directed such issuance of authorization at the discretion of the Central Government. The Draft Rules also proposed a 5 year bar on applying for a fresh authorisation where a radio equipment possession authorisation had been cancelled for breach. This restriction has not been retained in the Rules.

Key Features of the Rules

1. ***Application Process***

   Applications must be submitted through the Telecom eServices portal with prescribed documents, information relating to the make, model and quantity of the radio equipment, and a non-refundable application fee of INR 1,000 (approx. USD 10). However, where the application relates to blocking equipment (such as jammers, etc.), the applicant must also submit a permission obtained under Section 48 of the Telecom Act. This requirement was not expressly set out in the Draft Rules.

   The Central Government may assess the applicant's eligibility and seek further information from the applicant. For applications relating to manufacture, import or sale of radio equipment, it may also undertake security vetting in the manner specified on the portal. If satisfied, the Central Government may issue a *letter of intent* specifying the requirements to be fulfilled, including payment of the authorisation fee for the proposed duration. This is a shift from the Draft Rules which made the grant of authorisation expressly subject to security and administrative clearances of the applicant and an assessment of the safety of the premises where the equipment was proposed to be stored. They also required security and administrative clearances before any change in the location or premises at which the equipment was stored. The Rules continue to require the authorisation to specify the address at which the equipment will be kept. However, they do not retain the Draft Rules' express premises-clearance requirement.

2. ***Exemptions to Authorisation Requirement***

   The Draft Rules exempted radio equipment covered by statutory exemptions, radio equipment possessed by specified authorised entities with spectrum assignment, and radio equipment notified by the Central Government as being required by a user for availing telecommunication services. The Rules instead identify categories of persons for whom an authorisation under these Rules is not required i.e., persons operating under specified legacy licences, registrations or permissions, persons holding another relevant authorisation, persons covered by specified statutory exemptions, persons with spectrum assigned under identified provisions of the Telecom Act, amateur station operators, users holding proof of subscription to a telecom service provided by an authorised entity (such persons cannot manufacture, sell or let for hire the radio equipment in its possession).

   The Rules also prescribe conditions for onward possession as well. An authorised entity holding an authorisation for manufacture, sale, etc. may give possession of radio equipment only to another authorised entity or entities exempted from authorisation requirement under rule 10 of the Rules. An authorised entity holding radio equipment solely for testing or demonstration cannot give possession of such equipment to another person.

3. ***Testing and Traceability Obligations***

   The Rules introduce specific conditions for testing and demonstration that were not prescribed in the Draft Rules. For non-radiating equipment, or equipment radiating power up to 100 milliwatts, the authorised entity must ensure that testing or demonstration does not cause interference to another authorised entity's telecom equipment, network or service. It also cannot claim protection from interference caused by another authorised entity. For equipment radiating power above 100 milliwatts, the authorised entity must comply with the terms and conditions of the spectrum assignment obtained under applicable law. The Rules expressly link higher-power testing and demonstration to the applicable spectrum assignment, rather than treating possession authorisation as sufficient by itself.

   The Rules also impose granular traceability obligations. Authorised entities must maintain and update an inventory of radio equipment, preserve prescribed records and forthwith report any loss, theft, loss of possession or suspected misuse through the portal. The Draft Rules required maintenance of records and permitted physical verification but did not expressly require an equipment inventory or reporting of loss and suspected misuse. Other additions include the requirement to ensure conformity with standards notified by the Central Government and the power to impose restrictions on testing and demonstration near sensitive areas.

   Interestingly, the Draft Rules' requirement to display the radio equipment possession authorisation at the specified premises has not been retained.

4. ***Transition, Renewal and Disposal***

The Draft Rules expressly proposed to supersede the Indian Wireless Telegraphy (Possession) Rules, 1965 and existing office orders or memoranda on the subject, while preserving existing authorisations until expiry or migration. The Rules do not retain this express supersession. Instead, they recognise specified legacy arrangements through Rule 10 and separately include a person holding a licence under the 1965 Rules as an eligible applicant. The Rules also address pending applications under the earlier framework. An application made for grant of a licence under the Indian Wireless Telegraphy Act, 1933 will lapse where the licence had not been issued before commencement of the Rules. The applicant may apply afresh under the Rules, and fees paid with the lapsed application may be adjusted against the new application fee. For renewal of an authorisation, an application must be made at least 1 month before expiry.

The Rules also replace the Draft Rules' direction-based disposal mechanism with specific disposal timelines. Radio equipment must be disposed of within 3 months where the authorisation expires due to non-renewal, and within 2 months following acceptance of surrender, cessation of the relevant status under Rule 10, or suspension, curtailment or revocation of the authorisation.

5. ***Penalties***

A breach of terms and conditions constitutes a breach of section 32 of the Telecom Act. The Central Government may also suspend, revoke or curtail the authorisation after providing the authorised entity an opportunity of being heard. The Rules also empower the Central Government to issue orders, directions or guidelines consistent with the Telecom Act and the Rules which will themselves constitute terms and conditions applicable to every authorised entity.

Comments

A welcome move is that the Rules do not impose a blanket requirement on each person possessing radio equipment to obtain an authorisation. They instead prescribe when an eligible person may seek a possession authorisation for specified activities, while separately identifying persons for whom no such authorisation is required.

Compared with the Draft Rules, the final framework removes the Dealer Possession Authorisation and Special Possession Authorisation categories, expressly codifies eligible applicants, materially lowers the fee for possession solely for testing or demonstration, and provides more specific categories not requiring separate authorisation. At the same time, it introduces more detailed requirements concerning equipment particulars, testing, onward possession, inventory, loss reporting and disposal. Entities dealing with radio equipment will need to first determine whether their possession falls within Rule 10 or is already covered by another authorisation or spectrum assignment. Where a separate authorisation is required, the precise purpose of possession will determine the applicable validity, fee and continuing compliance requirements.

- *Harsh Walia (Partner) and Vanshika Lal (Associate)*

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