

Guidance Note On Procurement Of OSP License: Steps And Requirements
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6 Steps to Procure an OSP License: Complete Process and Requirements

The Other Service Providers (“OSPs”) Category was introduced for the first time under the New Telecom Policy, 1999 (NTP-1999) framework. The OSPs, such as tele-banking, tele-trading, e-commerce, etc. were allowed to operate non-telecom services by using infrastructure provided by various authorized access providers.

Considering the tremendous changes in technology and advancement in various different networking architectures and evolution in solutions for setting up OSP network centres, the terms and conditions for registration of OSPs are reviewed and revised by the Department of Telecommunication (“DoT”) as and when required. Telecom Enforcement, Resource and Monitoring (“TERM”) Cells under the DoT are the concerned authority for procurement of the OSP Licenses.

OSPs as a Company/Limited Liability Partnership (LLP) providing business services like Vehicle Tracking Centre, Billing Service Centre, e-Publishing Centre, Medical Transcript Service, Financial Service, KPO, Tele-Trading, Tele-Medicine, Tele-Education, Network Operating Centre, BPO, LPO, ITeS, Contact Centre, Others^[1] would require an OSP registration.

The list of business services is adequate as on date, however, with the development in technology or nature of services, the list of businesses included is subject to change. Therefore, one should keep track of such changes as brought in by DoT from time to time. There are primarily two types of OSPs, first, Domestic OSPs that provides services within the national boundaries and International OSPs that provides services beyond the national boundaries.

Procurement of DOT OSP License: A Guide

With regard to the registration of OSPs, the DoT has taken necessary steps to make the process of registration more convenient and hence the same was made online through the Saral Sanchar portal (“Portal”) of DoT^[2]. However, there are still certain aspects of OSP registration, such as, in case of sharing of infrastructure between both domestic OSP and international OSP where offline activities are being undertaken, separate agreements are required to be signed and hard copies of documents are required to be submitted to the concerned authorities.

The primary objective behind making the entire process online was to ensure

proper time bound completion of registration of OSPs. Usually, not more than one month's time is taken by the DoT authorities to scrutinize the applications and convey the approval or shortcomings if any. Further, the documents submitted on the Portal are required to be properly executed and digitally signed by the applicants.

Furthermore, the OSP centres of domestic and international types having different telecom resources and customers, need to be registered separately. In case of multiple OSP centres of any company/LLP in more than one Licensed Service Area ("LSA'), there would be a requirement of a separate registration certificate for each LSA. The mandatory documents should be uploaded one-time in the LSA where the registration is applied first. After the registration certificate is issued in one LSA, only a network diagram should be required to be uploaded for registration of other OSP centres either in the same LSA or in different LSA(s).

The requirement of additional documents would only be there if there was any change in the information submitted earlier. Therefore, multiple OSP centres of the same company/LLP can be registered as a single entity in an LSA. However, domestic and international OSPs shall not be grouped and shall be registered separately.

At present, the OSP License is valid for a period of 20 years from the date of issue, unless otherwise mentioned in the registration certificate. A one-time validity extension by 10 years is provided, if applied during the 19th year of the previous time period.

OSP Registration Application

The entities that are entitled to registration of OSPs must be a company registered under Companies Act, 2013, foreign companies permitted by RBI under Foreign Exchange Management Regulations (FEMA) and a Limited Liability Partnership (LLP) Firms registered under the LLP Act, 2008.^[3] In order to fill in the OSP Registration Application following steps needed to be followed:

1. The applicant must register themselves by clicking on the "Registration" link available on the portal. This will be a one-time registration process, wherein there will be a unique applicant Id generated for the applicant which will be used as reference Id for all the transactions with DoT with regard to the OSP registration.
2. Once registered, the applicant needs to fill in the information regarding company details and the Present Proposal for the OSP centres, which includes detailed information regarding the workings of the proposed OSP centre.
3. At present, a processing fee of INR 1000/- is charged for registration of each OSP centre. However, multiple OSP centres of one company/LLP in an LSA, the processing fee should be INR 1000/- per OSP centre. The processing fee details like challan number, date and amount details need to be filled in the application.
4. The applicant must upload the necessary documents which are duly executed and digitally signed by the authorised signatory of the applicant company.
5. After uploading the mandatory documents on the Portal, the applicant must consent to the terms and conditions provided in the declaration/ Undertaking form before submitting the application.
6. After submitting the application, there will be an alert notification for the applicant, wherein the applicant needs to download the filled and submitted application, digitally sign it and upload it again for the verification by

the concerned authorities.

Documents Required for OSP Registration

Each applicant shall mandatorily submit the following digitally signed documents certified with seal by a Company Secretary or Director of the Company or Statutory Auditor or Public Notary:

A) Mandatory Documents

1. Memorandum & Articles of Association (Collated as one pdf file);
2. Certificate of Incorporation issued by Registrar of Companies;
3. Resolution of the Board of Directors or Power of Attorney duly notarised authorising the signatory with attested signature;
4. List of Present Directors of the company with Name, Address and DIN;
5. Present shareholding pattern of the company: The shareholding pattern of the company should be clearly indicating the Indian Equity & Foreign Equity;
6. Nature of Business: A brief note that explicitly describes the nature of the business activities that the proposed OSP Centre would be involved in.
7. Network Diagram: The OSP must clearly mention in the diagram whether it is using Sharing of Infrastructure or Centralised EPABX (Electronic Private Automatic Branch Exchange) architecture or the CUG (Closed User Group) facility. Also, the same should be approved by the Authorised Telecom Service Provider.
8. Processing Fees (DD or challan of Rs. 1000/- for each OSP center)

B) Additional documents

In case of interconnection of either an international OSP centre (company A) with another international OSP centre (company B) of a group company or a domestic OSP centre (company A) with another domestic OSP centre (company B) of group companies, following document shall be required to be submitted:

1. Shareholding pattern of Company A
2. Shareholding pattern of Company B
3. Certificate from statutory Auditor of the company to certify that A & B are Group Companies
4. Other supporting documents, if any like balance sheet, annual report etc. to establish that company A & company B are Group Companies

Post Registration requirements

In order to remain consistent and compliant with the regulations, each of the OSPs are required to submit an "Annual Return" to the DoT mentioning the activities undertaken and the present working status of the OSP. The annual return for OSP License should be submitted within 6 months of completion of the financial year. OSPs must also ensure that they are in compliance with the Terms and Conditions as prescribed by the DoT for OSPs.

Conclusion

Ensuring efficient filing of the application, right documentation, meticulous representation before the authorities and rigorous followups are the key to procurement of the OSP Licenses on time. It is important to understand the additional queries raised by the authorities and strategically clarify them to their satisfaction plays a key role as well. We have been able to handle the rigorous follow ups and leg work with the authorities and efficiently function across the nation vide our expert lawyers present at each remote location.

[1] As per list provided by DoT in the User Manual for Online Registration of Other Service Providers

https://www.saralsanchar.gov.in/osprep/user_manual_osp_applicant.pdf

[2] <https://www.saralsanchar.gov.in>

[3] https://dot.gov.in/sites/default/files/2016_01_13%20SP-CS.pdf?download=1

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