

Migration between plans and billing platform

[Extracts from Direction dated 1ST September, 2008 regarding transparency in tariff offers]

No access service provider shall provide for any condition or barrier (tariff or non-tariff) such as the requirement of obtaining new SIM or change of telephone number, etc., by any telecom consumer who seeks to migrate across postpaid and prepaid platforms:

Provided that, the direction contained in this sub-paragraph shall be applicable in relation to migration from prepaid platform to postpaid platform subject to operational feasibility.

[[For more information refer to Direction No.301-31/2007-Eco. dated 1st September, 2008](#)]

[Extracts from 4th amendment to Telecom Tariff Order 1999]

Installation charge shall be imposed by any service provider only when a customer subscribes initially to the packages offered by the service provider. No installation charge shall be imposed when a subscriber moves from one package to another offered by a particular service provider.

[[For more information refer to 4th amendment to Telecom Tariff Order 1999](#)]

TELECOM REGULATORY AUTHORITY OF INDIA
Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg,
(Old Minto Road), Delhi-110002.

New Delhi, the 1st September, 2008

DIRECTION

Subject: Direction, under section 13, read with clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) to all Access Service Providers regarding transparency in tariff offers.

No.301-31/2007-Eco.----- ----- Whereas the Telecom Regulatory Authority of India, [hereinafter referred to as the Authority], established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) (hereinafter referred to as the TRAI Act, 1997) has been entrusted discharge of certain functions, *inter alia*, to regulate the telecommunication services, protect the interests of service providers and consumers of the telecom sector, fix the terms and conditions of inter-connectivity between the service providers, ensure technical compatibility and effective inter-connection between different service providers, regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services, lay-down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication service;

2. And whereas the Authority has been receiving large number of complaints from consumers and the consumer's organizations indicating that the tariffs offered by the service providers are offered in such manner that they are complex and confusing which makes it difficult for the telecom consumers to make an informed choice after properly evaluating such offers ;

3. And whereas the Authority has, in order to enhance and ensure transparency in service provision and tariff offers, issued several Directions in the past to the telecom service providers;

4. And whereas the transparency of tariff in telecom sector is necessary to protect interests of consumers and to facilitate further growth of telecom services in India and the transparency of tariff in telecom sector has, therefore, become a major area of concern for the Authority due to the rapid growth of telecom services in the country;

5. And whereas, in view of (i) the expanding roll out of the telecom services in areas outside the Metros and in semi-urban and rural areas, (ii) the socio-economic standing of the population in newly emerging telecom markets, (iii) to ensure more transparency of tariff in telecom sector, (iv) to protect interests of the consumers, and (v) to facilitate further growth of telecom services in India, the Authority had recently---

(a) initiated a consultation process on “Issues arising out of the Plethora of Tariff Offers in Access Service Provisions” and also issued the consultation paper on the 29th January, 2008 which, *inter alia*, sought comments and suggestions from the stakeholders on the various measures required to further improve the transparency in tariff offers offered by the telecom service providers to the telecom consumers;

(b) held Open House Discussions on the subject in Ahmedabad and Jaipur on 25th March, 2008 and 29th March, 2008 respectively;

6. And whereas Authority felt the necessity to take further regulatory measures in order to ensure more transparency of tariff in telecom sector and to protect interests of the consumers in telecom sector and to facilitate further growth of telecom services in India after careful consideration, *inter alia*, of---

(a) the comments and suggestions received from the stakeholders on the various measures required to further improve the transparency in tariff offers offered by the telecom service providers to the telecom consumers in response to the consultation paper issued by it on the 29th January, 2008 and in the Open House Discussions held on the subject in Ahmedabad and Jaipur;

(b) the various developments in the telecommunication sector especially in view of intensification of the competitive activity in the cellular services;

(c) entry of several new operators which would result in further intensification of the competitive activity in the cellular services;

(d) likely focus of future activities in the telecom sector in semi urban areas and the rural areas;

(e) the general practice prevalent in the telecom market wherein (i) the telecom services are generally marketed through an unorganized supply chain which is not equipped to provide correct and proper information to the telecom consumers (including information at the retail outlets of the service providers) (ii) the absence of tariff information in the language understood by the local telecom consumers which is considered as a hurdle in appropriate dissemination of information essential for making meaningful choice, and (iii) the lack of proper understanding of key features of tariff at the time of subscribing to a plan leads to consumer dissatisfaction and complaints at a later stage;

(f) the practice by which certain non-tariff barriers [such as forcing the telecom consumer to buy a new Subscriber Identification Module (SIM) or to enforce a change in the mobile number of such consumer] are being introduced by the service providers which have the effect of diluting the customers' right to migrate from one tariff plan to another tariff plan or from a pre-paid plan scheme to a post-paid plan scheme or vice versa;

(g) the practice by which the service providers are offering a large number of promotional schemes as a result of the increased competitive activity in the market but the nature and scope of such offers remain very complex leading to a situation where, they (even though such schemes may, at times be beneficial to the consumers) result in complaints stating that such schemes, -----

- (i) are not offered in a transparent manner;or
- (ii) are offered in a selective manner;or
- (iii) are often withdrawn abruptly; or
- (iv) do not enable the customers to decide whether they are eligible to avail such offers as they lack clear eligibility criteria;

(h) the practice by which the telecom service providers generally offer free / discounted Short Message Service (SMS) Schemes, *inter alia*,---

(i) as part of regular tariff plans, with or without any additional monthly payment, or

(ii) as packs valid for specified periods; or

(iii) as promotional schemes,

but such free / discounted Short Message Service (SMS) Schemes referred to (i) to (iii) above are made inapplicable on certain specified days (including on social, cultural, festival days, termed as “blackout days”) to the detriment of the interest of telecom consumers due to lack of transparency in such schemes when offered to telecom consumers. The practice of specifying such black out days in similar manner as that for SMS, has also been proposed by some service providers for voice calls;

7. Now, therefore, in exercise of powers conferred upon the Telecom Regulatory Authority of India under section 13, read with clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), and in order to ensure more transparency of tariff in telecom sector and to protect interests of the consumers in telecom sector and to facilitate further growth of telecom services in India and for the reasons mentioned in the preceding paragraphs, in particular the preceding paragraph, the Telecom Regulatory Authority of India hereby directs that all the telecom access service providers shall comply with the following directions specified under Parts I , II , III and IV mentioned herein below, by 15th September 2008.

PART I

A. DIRECTIONS RELATING TO KEY TARIFF INFORMATION

(1) All access service providers shall, -----

(A) provide, in the vernacular language where such plans are offered, in addition to in English and any other language being in use, the key tariff information to consumers on each tariff plan offered by them to the telecom consumers which shall include:

i) Title

- ii) Rental/Fixed Fee
- iii) Billing Cycle/Validity
- iv) Free Call Allowance/Talk time
- v) Tariff per Unit for:

- a) Local Call
- b) STD
- c) ISD
- d) SMS
- e) National roaming

vi) Financial Implications for the various monthly usage slabs as specified by the TRAI direction dated 2nd May, 2005 on Publication/advertisement of tariffs for consumer information.

(B) ensure that information referred to in clause (A) above is prominently displayed at all the retail outlets of such service providers and also at all the retail outlets of their franchisees.

PART II

B. DIRECTIONS RELATING TO PROMOTIONAL OFFERS

(2) All access service providers shall, while publishing their promotional offers to public, specify therein-----

(a) the eligibility criteria for such promotional offer;

(b) the opening and closing dates of such promotional offer (within the existing limit of ninety days);

PART III

C. DIRECTION RELATING TO CONDITION OR BARRIER IN CASES OF MIGRATION FROM ONE PLAN TO ANOTHER IN CERTAIN CASES

(3) No access service provider shall provide for any condition or barrier (tariff or non-tariff) such as the requirement of obtaining new SIM or change of telephone number, etc., by any telecom consumer who seeks to migrate across plans or across postpaid and prepaid platforms:

Provided that, the direction contained in this sub-paragraph shall be applicable in relation to migration from prepaid platform to postpaid platform subject to operational feasibility;

**PART IV
D.DIRECTIONS RELATING TO BLACK OUT DAYS**

(4) No access service provider shall,---

(a) fix the number of 'black out' days, (being the days on which free or concessional Voice Calls/SMS offered by it under any plan/ package including discounted scheme are not available to their telecom consumers), for a period exceeding a maximum of five days in a calendar year;

(b) where the number of days so specified as referred to in clause (a) above is less than five, make any addition to the number of days specified as 'black out' days, after the same is subscribed by the telecom consumer ;

(c) make any alteration in any date which has been specified as a 'black out' day as referred to in clause (a) above, after the same is subscribed by the telecom consumer.

(5) All access service providers shall, in any package as referred in the preceding sub-paragraph, clearly indicate on the package itself offered by them to telecom consumers -----

(a) the 'black out' days (being the days on which free or concessional Voice Calls/SMS offered by it under any plan/package including discounted scheme are not available to their telecom consumers); and

(b) the SMS/call charges applicable on such specified 'black out' days.

(M. Kannan)
Advisor (Eco)

To

All Access Service Providers (As per list attached)

Copy for information to:

1. COAI/AUSPI
2. Registered Consumer Organizations.

Telecom Regulatory Authority of India

New Delhi

July 28, 1999

[F. No. 301-4/99-TRAI (Econ.)]. In exercise of the powers conferred upon it under sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 to notify, by an Order in the Official Gazette, tariffs at which Telecommunication Services within India and outside India shall be provided, the Telecom Regulatory Authority of India hereby makes the following Order.

THE TELECOMMUNICATION TARIFF (Fourth Amendment) ORDER 1999

1. Short title, extent and commencement:

- (i) This Order shall be called "The Telecommunication Tariff (Fourth Amendment) Order 1999."
- (ii) The Order shall be deemed to have come into force from May 01, 1999.

2. In Schedule I (Basic Services Other Than ISDN) of the Telecommunication Tariff Order 1999:

- (i) The existing clause (g) shall be deleted and substituted to read as under:

(g) Alternative tariff packages	<p>Alternative tariff and free call allowance offered to subscribers by service providers, in addition to those provided for in the Standard Tariff Package.</p> <p>In the Alternative Tariff Packages, the ceilings with respect to the security deposit (other than for STD/ISD), installation charge and registration charge specified in the standard package shall be carried over to all alternative packages.</p> <p>Further, installation charge shall be imposed by any service provider only when a customer subscribes initially to the packages offered by the service provider. No installation charge shall be imposed when a subscriber moves from one package to another offered by a particular service provider.</p>
--	--

3. In Schedule II (Cellular Mobile Telecom Service) of the Telecommunication Tariff Order 1999:

(i) The existing Footnote * in Schedule II shall be deleted and substituted to read as under:

The applicability of the tariffs notified in the Telecommunications Tariff Order (TTO) 1999, and the subsequent Amendments to TTO 1999, to remain in place till they are substituted by tariffs relevant to the 'Calling Party Pays' (CPP) regime. The tariffs applicable under a CPP regime shall be notified by the Authority in due course of time.

(ii) The existing clause (b) shall be deleted and substituted to read as under:

(b) Alternative tariff packages	<p>Alternative tariff and free call allowance offered to subscribers by service providers, in addition to those provided for in the Standard Tariff Package.</p> <p>In the Alternative Tariff Packages, the ceilings with respect to the security deposit (other than for STD/ISD) and installation charge specified in the standard package shall be carried over to all alternative packages.</p> <p>Further, installation charge shall be imposed by any service provider only when a customer subscribes initially to the packages offered by the service provider. No installation charge shall be imposed when a subscriber moves from one package to another offered by a particular service provider.</p>
--	---

4. This Order contains at Annex A, an Explanatory Memorandum that explains the reasons for this amendment to the Telecommunication Tariff Order 1999.

5. The Explanatory Memorandum of Telecommunications Tariff Order 1999 shall be numbered as Explanatory Memorandum-I and that at Annex A as Explanatory Memorandum-4.

BY ORDER

Harsha Vardhana Singh
Economic Advisor

ANNEX A
EXPLANATORY MEMORANDUM - 4

1. In the Third Amendment to its Telecommunication Tariff Order (TTO), 1999, released on 31st May 1999, the Authority had, *inter-alia*, stated,

*"In Alternative Tariff Packages, there is no restriction on any tariff to be charged, except that all tariff packages offered by any service provider shall have the **same** charge for security deposit (other than for STD/ISD), installation and registration as in the Standard Tariff Package offered by that service provider".*

2. The Authority received communication from certain service providers that they wished to provide lower security deposits in particular alternative tariff packages, but the Third Amendment to TTO 1999 precluded them from doing so.

3. The Authority's decision in the Third Amendment was to facilitate mobility of subscribers across packages and thus increase the scope of options available to them. It was intended to decrease the rigidities in the marketing of alternative packages. The Authority's intention is to provide a framework for migration between different tariff packages so that subscriber interest is fully protected and that the service providers give sufficient information in a transparent manner so as to facilitate an informed choice by the subscriber. The Authority issued two Orders, to define the framework in a way that would achieve this objective. With a view to discussing the possibility of devising a system so that a customer does not face any problem in migrating from one tariff package to another, a consultation meeting was organised with basic and cellular mobile service providers, in which TRAI emphasised that:

(i) A customer with any service provider has a right to migrate from one tariff package to another.

(ii) In migrating from one package to another, the customer should not pay charges for items for which service providers incur no additional cost. An example of this would be 'installation charge'.

(iii) The customer should be informed about the conditions applicable to migration from one tariff package to another.

4. To maintain the possibility of lower deposits charged to customers in alternative tariff packages, the Authority has decided to provide more flexibility for this item in alternative tariff packages. Further, the Authority wishes to maintain a ceiling for security deposits for all tariff packages. This ceiling is the same as specified for the standard tariff package, i.e. Rs. 3000.

5. Since lower security deposits will be in the interest of customers, the Authority has decided to grant flexibility to service providers to determine the amount charged towards security deposit (other than STD/ISD) provided that this amount is within the specified ceiling of Rs. 3000. The import of this decision is that security deposits may be different for different packages. In case the subscriber moves from one tariff package with a particular amount as security deposit to another with a lower security deposit, the Authority has decided that

the difference will be either refunded to the subscriber or adjusted against the amount payable by the subscriber, as applicable. This refund must be made in the subscriber's billing cycle subsequent to the move to another tariff package. In addition, as mentioned in the Third Amendment to TTO 1999, a service provider shall refund all security deposits in full at the time a subscriber leaves the network. To the extent, the customer has an outstanding amount due to the service provider at the time of disconnection, this amount may be adjusted in the final transaction.

6. With regard to installation charge, the Authority wishes to clarify that these charges may be imposed only when a customer joins the network of a particular service provider. Installation charge shall not be levied when the subscriber moves from one tariff package to another tariff package of the same service provider. If a customer moves from one service provider to another, that customer will have to pay installation charge again, but only at the time of subscribing to the services provided by another service provider and not for any subsequent move from one package to another offered by that service provider.

7. One aspect of concern to service providers relates to 'too frequent changes' in tariff packages by customers since this results in additional cost to be incurred by them each time there is a change. Accordingly, service providers have proposed that they should be permitted to charge a fee from the customer to recover cost of migration, which involves changes in the billing system, data entry, and certain operational and administrative costs. The estimates given by them range from Rs. 200 to Rs. 1200 per change.

8. The Authority has decided, in consumer interest, not to accede to the proposal of service providers to allow a fee for migration when the subscriber moves from one tariff package to another. In this context, it should be mentioned that in their tariff submissions to the Authority, service providers have included a charge for migration that ranges from Rs. 500 to Rs. 1200 per change. This charge has been reported under item 8 of the general terms and conditions of service specified in the format for publishing and reporting of tariffs. Item 8 of the general terms and conditions for service reads as follows:

Conditions of entry/exit with regard to tariff packages

- *Service providers*
- *Customers*

9. The intention of including this item in the general terms and conditions of service was to ensure that the service provider clearly communicated to the subscriber, the terms and conditions of migration, such as billing cycle, from one tariff package to another. It was not intended to include a charge for migration. Accordingly, schedule II for CMTS in the TTO 1999 did not envisage a charge for migration. **This Amendment clarifies that a service provider shall not levy a charge when a subscriber moves from one tariff package to another.** The Authority will study this aspect further with the help of data on the changes in tariff packages requested by customers over a period of time.

10. In addition, a subscriber's request for a change in tariff package must be implemented by the service provider in the subscriber's billing cycle subsequent to the request being made. A service provider can thus reject the subscriber's request for a change of tariff package only until the completion of the subscribers billing cycle during which the request is made for a move to another tariff package. At the conclusion of that billing cycle, the service provider must effect the requested change.

11. The Third Amendment provided additional flexibility with regard to Alternative Tariff Packages by removing the previous restrictions on one-time charges such as membership fee or enrolment fee, while maintaining the restrictions with respect to the security deposit and installation charges. That additional flexibility shall continue to be applicable.

12. In addition, while advertising for alternative packages, it shall be necessary for service providers to include in the same advertisement, tariffs applicable to the standard package.

13. In Schedule II of TTO 1999, footnote * states that the tariffs in that schedule remain applicable only till 31 July 1999 and that tariffs applicable to Calling Party Pays regime will be implemented from August 01, 1999. **The application of these tariffs has been extended till they are replaced by tariffs applicable to a Calling Party Pays regime. A separate notification will address that matter in the near future**