

Government of India
Ministry of Communications
Department of Telecommunications
Sanchar Bhawan, 20-Ashoka Road, New Delhi - 110 001.
(Carrier Services Cell)

Consultation Paper
on
'Policy for Issuance/Renewal of NOC for Import/Sale in India, of
SIM/eSIM cards (or chips) of Foreign Telecom Service Providers,
for use in M2M/ IoT devices/products meant for export only'

Written Comments on the Consultation Paper are invited from the stakeholders latest by 17:00hrs on 8th May 2023. The comments may be sent, preferably in electronic form, to Shri S. L. Meena, Director (CS-I), on the email ID dircs1-dot@nic.in. For any clarification/information, Shri S. L. Meena, Director (CS-I), may be contacted at Telephone No. +91-11-23710243, Cell:9868394499

1. Introduction

- a. M2M technology is creating significant opportunities and has a proven potential of revolutionizing the performance of various verticals of different sectors, businesses, and services, by providing automation and intelligence to the end devices. With the ability to tap into a device's data stream on an ongoing basis, it is possible to track and service a device throughout its entire lifecycle from the assembly line to the recycling heap, leading to a redefinition of customer relationships and business operations. In all, M2M technology has the potential to unleash significant productivity gains and economic growth, unlike any previous technology wave.
- b. The International Telecommunication Union (ITU-T) has defined Internet of things (IoT) as "Global infrastructure for the information society, enabling advanced services by interconnecting (physical and virtual) things based on existing and evolving interoperable information and communication technologies. Through the exploitation of identification, data capture, processing, and communication capabilities, the IoT makes full use of things to offer services to all kinds of applications, whilst ensuring that security and privacy requirements are fulfilled".
- c. Subscriber Identity Modules (SIMs) for the purposes of M2M/IoT communication are embedded (integrated/soldered) at the point of manufacturing in order to achieve the standard physical and environmental requirements and are deployed in domestic and/or international market.
- d. There are certain Indian manufacturers who are exporting their products to the International market. Such manufacturers are seeking foreign SIMs to be provided to them in India itself for integration into their products for IoT/M2M services for use outside India.
- e. Requests have been received in DoT for Provision to be made for sale of foreign operator's SIMs for IoT/M2M under the DOT's No Objection certificate (NOC) policy for sale of foreign operator's SIMs.
 - i) At present DOT issues a No Objection Certificate allowing for sale in India of International Roaming SIM cards of foreign operators for use outside the country. The cards being offered to Indian customers are for use only outside India.
 - ii) The NOC mandates the seller to collect information of the subscribers including the Passport details as well as details of the Visa issued to the individual for travel to another country
 - iii) The DOT policy also has a provision for NOC for innovative solutions but it specifies that it would be issued on case-to-case basis.
- f. The existing policy (available at <https://dot.gov.in/sites/default/files/Revised%20NOC%20Policy.pdf?>

[download=1](#)) issued on 14.01.2022 is for issue/renewal of No Objection Certificate (**NOC**) for sale/rent of international roaming SIM cards/ Global Calling Cards of Foreign Operators in India. The cards being offered under this policy to Indian customers are for use only outside India. For establishing the authenticity of the customer before selling/ renting such cards, copy of the passport of the customer including copy of valid visa and additional proof of identity (**Pol**) and proof of address (**PoA**) as per the prescribed document based Pol/ PoA process or alternate digital KYC process, for issuing new mobile connection as prescribed by DoT shall be obtained.

- g. The new requirements received are for NOC for Import/sale of Foreign operator SIM cards for testing and/or use in Internet of Things (**IoT**) and Machine to Machine (**M2M**) products which are meant for export purpose. There are practical difficulties in fitting this use case under the existing NOC policy, particularly in KYC and compliance requirements. Therefore, a separate Policy for Issue/Renewal of NOC for Import/Sale in India, of SIM/eSIM cards (or chips) of Foreign Telecom Service Providers, for use in M2M/ IoT devices/products meant for export only is proposed by DoT.

2. Issues involved:

- a. Under the eligibility criteria of existing NOC policy for sale/rent of international roaming SIM cards, applicant companies should be registered under the Companies Act-1956/ 2013. Companies registered under the Limited Liabilities Partnership (LLP) Act-2008 or Shop and establishment acts are not eligible.
- b. Usage of SIM/eSIM cards (or chips) outside India: The SIM/eSIM cards (or chips) to be imported/offered to Indian Manufacturers/ Service Providers shall be for use only outside India. However, there may be need for sample/demo/proto type test while in India.
- c. Custody of SIM/eSIM Cards (or Chips): Custodian of the cards (or chips) till export of the devices/products containing these cards (or chips) has to be fixed. The custodian shall be responsible for safe-keeping and misuse, if any, till the devices/products containing SIM/eSIMs cards (or chips) are exported out of India.
- d. Penalty for non-compliance: The NOC-holders may be required to submit periodic reports (Monthly/Annual) to DoT and/or Law Enforcement Agencies/police. The NOC-holders will also be required to strictly comply to usage guidelines (use only outside india). To discourage wilful defaults, certain penalties in proportion of delay time in compliance will be required to be fixed.
- e. There may be certain Indian industries/ manufactures/ M2M Service providers who want to embed/fit SIM/eSIM cards (or chips) of Foreign Telecom Service Providers in their M2M/IoT devices/products meant for

export purpose only. Alternately, there may be a M2M Service Provider or other entity who wants to import and sell such SIM/eSIM cards (or chips) in India to other manufacturers/M2M service providers for the above stated purpose.

3. Issues for consultation:

- a. Whether firms registered under LLP-2008 and proprietors registered under Shop & Establishments Acts also be allowed to apply for NOC?
- b. Whether activation of SIMs is required while in India for sample/function/prototype testing? If yes, what should be the maximum /percentage quantity and duration that should be allowed? Justification may be given.
- c. Who should be the custodian of the SIMs till export of the products i.e. NOC holder or manufacturer company that embed/fits the SIMs in their products?
- d. Whether penalties should be imposed for non-compliance of terms of NOC? If yes, specify amount/formulae? If not, how to ensure compliance?
- e. Whether manufacturers who want to embed/fit the foreign SIMs in their products, would prefer obtaining NOC for themselves or would like to buy it from other NOC holders?
- f. Give your comments on any related matter that is not covered in this Consultation Paper.