



Licensing Conditions for Telecom Companies Amended

Why in News

The **Department of Telecommunications (DoT)** has amended **licensing conditions for telecom companies**. The new norms will be implemented from **15th June 2021**.

- In March 2021, the Union Cabinet approved [the Production-Linked Incentive \(PLI\) scheme for the telecom sector](#) to **reduce imports** and move towards **self-reliance**.

Key Points

▪ New Licensing Conditions:

◦ Aim:

- To **include defence and national security as parameters** when purchasing **'trusted telecom products'** and sourcing equipment from **'trusted telecom equipment sources'**.

◦ Provisions:

- Telecom companies can use **telecom products only from trusted sources** in its network and **must take permission** from the designated authority (**National Cyber Security Coordinator**) if they plan to upgrade their existing network **using telecom equipment that has not been designated as a trusted product**.
- The new norms **will not impact the annual maintenance contracts or upgrades to existing equipment** already being used by the telcos in their networks.

▪ Trusted Telecom Products/Trusted Telecom Equipment Source:

◦ About:

- It is simply **a product, a company, or a technology that has been deemed safe by the government** of a nation for use in its crucial and critical infrastructure.

◦ Classification:

- In December 2020, India's Cabinet Committee on Security had approved the setting up of a new [National Security Directive](#) on the telecommunication sector with an intent **to classify telecom products** and their sources under the **'trusted'** and **'non-trusted'** categories.
- **National Cyber Security Coordinator** has been made the **designated authority for deciding on the list of trusted and non-trusted telecom equipment sources and products**.
 - Its decisions will be made based on approval of a committee headed by the deputy [National Security Advisor \(NSA\)](#).
 - Apart from the deputy NSA, **the expert committee will have members**

from other departments and ministries, and independent experts as well as two members from the industry.

▪ **Impact:**

- The new policy could potentially make it more **difficult for Chinese telecom equipment vendors** like Huawei and ZTE to supply equipment to Indian telecom players in the future.
 - Both Huawei and ZTE **have been under global scrutiny for allegedly installing 'backdoor' or 'trapdoor' vulnerabilities and spying for the Chinese government** and have been banned by several countries.

▪ **Significance:**

- Telecom equipment plays a vital role in telecom connectivity and data transfer, which has a direct impact on the national security of India therefore this change will **help in strengthening national security of India.**
- Demand for local equipment will rise which will further promote the vision of **Make-in-India** and **Atmanirbhar Bharat**.

Source:TH

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