

Information note to the Press (Press Release No. 21 /2015)

For Immediate release

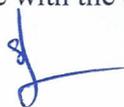
Telecom Regulatory Authority of India

TRAI notifies amendments to the DAS Regulations incorporating provision of financial disincentives on MSOs.

New Delhi, 25th March, 2015 – Telecom Regulatory Authority of India, today, has notified the Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 dated 25th March, 2015 applicable for Cable TV Services being provided through Digital Addressable Systems (DAS) incorporating provisions for levy of financial disincentives on Multi System Operators (MSOs).

The Quality of Service (QoS) Regulation for DAS lays down the norms for (a) the issue of bills to subscribers, and, (b) the issue of receipts for every payment made by subscribers.

It was observed that the prescribed norms for billing and issue of receipts for every payment made by subscribers are not being complied with by the MSOs. Such non-compliance has resulted in numerous legitimate consumer grievances. In the absence of a bill, a subscriber cannot ascertain whether the amount demanded by the MSO for the cable TV services is correct or not. Similarly, in the absence of a receipt for the payment made, there is no means to get a grievance redressed in case of any billing related dispute with the operators.



For consumers, such bills and receipts are essential; when it is available to consumers in other commercial markets, why not in the cable TV market?

Because of the non delivery of such bills and receipts by the MSOs, information of actual subscription vis-à-vis billing and payment details are not being entered into the Subscriber Management System (SMS). Consequently, commercial deals and financial transactions amongst operators are not being carried in a transparent manner. It is adversely affecting smooth implementation of DAS as mandated by law.

Further, in absence of proper billing and accounting of receipts, there is a very real possibility of a loss of revenues accruable to the Government. It is essential that the Government gets its due tax revenues arising out of the business of the cable TV services sector.

The Authority, after following exhaustive consultation process, has notified an amendment to the existing QoS Regulations for DAS by incorporating the provisions for levy of financial disincentives, on MSOs, who are not complying with the provisions regarding billing and issue of receipts for payment made by the subscribers. A provision for financial disincentive for an amount not exceeding Rs. 20/- per subscriber has been made in the amended Regulations. The Authority is of the view that enabling the imposition of financial disincentives will be an effective deterrent and will incentivise MSOs to issue bills and receipts to subscribers for payments made.

The QoS Regulations also prescribe that the cable TV services shall be offered to the subscribers both on pre-paid and post paid payment models, with subscribers' having option to choose from. In the amendment Regulation, notified today, an explanation has been incorporated, which clarifies that the pre-paid option offered by MSO shall be implemented through electronic pre-paid mechanisms. Further, in order to ensure that the MSOs honour the



pre-paid or post-paid option given by the subscriber in a timely manner a financial disincentive of not exceeding Rs. 100/- per subscriber has been made on the MSO for each contravention.

The Authority has provided MSOs a time of 60 days to align their business processes for compliance with the provisions of the Regulations. The Authority is of the view that the imposition of financial disincentives would effectively curb the non-compliance of the provisions of the regulations and would benefit consumers and the Cable TV sector.

The amendment Regulation is available on TRAI website: www.trai.gov.in.

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(Sudhir Gupta)

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