



**DG/COAI/REG/2025/1033**

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**Subject: COAI response to Consultation Paper on “the Regulatory Framework for the Sale of Foreign Telecom Service Providers’ SIM/eSIM cards for the use in M2M/IoT Devices meant for Export purposes”.**

Dear Sir,

This is with reference to the TRAI’s Consultation Paper on “the Regulatory Framework for the Sale of Foreign Telecom Service Providers’ SIM/eSIM cards for the use in M2M/IoT Devices meant for Export purposes” issued on 4<sup>th</sup> July 2025.

In this regard, please find enclosed COAI’s response to the Consultation Paper.

We trust our above submission would merit your kind consideration and look forward to your valued support on the same.

Sincere regards,

Signed on: 01-08-2025 17:30:19

Digitally Signed by:

Lt Gen Dr SP Kochhar

DG

COAI

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## **COAI response to the TRAI Consultation Paper on the Regulatory Framework for the sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes**

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We thank the Authority for giving us the opportunity to respond to the consultation paper. With regard to this Consultation Paper, our point-wise response to the various questions raised, is as under:

**Q1. Which of the following approaches should be followed for regulating the sale of foreign telecom service providers' SIMs/ eSIM cards in India for the use in M2M/ IoT devices meant for export purposes:**

- (a) To introduce a new service authorisation for the sale of foreign telecom service providers' SIMs/ eSIM cards in India for the use in M2M/ IoT devices meant for export purposes under Section 3(1)(a) of the Telecommunications Act, 2023; or**
- (b) To include the activity of the sale of foreign telecom service providers' SIMs/ eSIM cards in India for the use in M2M/ IoT devices meant for export purposes within the scope of the proposed service authorisation for the sale/ rent of international roaming SIM cards/ global calling cards of foreign operators in India?**

**Please provide a detailed response with justifications.**

### **COAI response**

- a) We suggest that a new service authorisation should be introduced for the sale of foreign telecom service providers' SIMs/eSIM cards in India for the use in M2M/IoT devices meant for export purposes.
  - b) This is a separate service requiring import of foreign TSPs' IOT SIM/eSIM, and provisioning the SIMs to Original Equipment manufacturers (OEMs) or other M2MSP for embedding the same in the devices being manufactured in India for export. The scope of this new service is entirely different from the scope of the current NOC (and proposed service authorisation) for the sale/ rent of international roaming SIM cards/ global calling cards of foreign operators in India, as this will be a pure B2B service and the individual customer specific compliances and reporting requirements will not be applicable, it should be kept separate from the prevailing NOC.
  - c) Moreover, IR SIMs or global calling cards are primarily intended for individual travellers visiting a foreign country for a limited period of time. On the other hand, the M2M/IoT devices embedded with foreign TSP SIMs/eSIMs would usually be deployed in a foreign country till their end of life.
  - d) In light of the above, activities pertaining to foreign operator IOT SIMs requires a separate authorisation with simplified and light touch regulatory regime, the terms and conditions will be accordingly separate for this service.
- Q2. In case it is decided to introduce a new service authorisation under Section 3(1)(a) of the Telecommunications Act, 2023 for the sale of foreign telecom service providers' SIMs/ eSIM cards in India for the use in M2M/ IoT devices meant for**



export purposes, what should be the terms and conditions for such a service authorisation? Please provide inputs with respect to the following aspects:

- (a) Eligibility conditions for the authorisation;
- (b) Application processing fee for the authorisation;
- (c) Period of validity of the authorisation and conditions for its renewal;
- (d) Service area of the authorisation;
- (e) Scope of service of the authorisation;
- (f) Authorisation fee;
- (g) Know-Your-Customer (KYC) requirements of the customers of the SIM/eSIM;
- (h) Period for which a foreign SIM/ eSIM should be permitted to remain active in India for testing purposes;
- (i) Penalties for non-compliance;
- (j) General, commercial, and operating conditions etc. of the authorisation; and
- (k) Any other aspect.

Please provide a detailed response with justifications.

### COAI response

- a) The service authorisation should be simple and practical, with minimal regulatory burden. The guidelines must focus on eligibility, defined testing period, and basic compliance to ensure security and traceability, without imposing complex regulatory conditions.
- b) A light-touch framework will support ease of doing business, promote exports, and enable innovation in the M2M/IoT sector, while ensuring that national security and regulatory interests are adequately protected.

Accordingly following terms and conditions are proposed.

#### (i) Eligibility conditions for the authorisation;

Only the Unified License holders with Access Service authorizations or M2MSP complying with additional conditions for SM-SR in India, directly or through their subsidiary/affiliate companies, should be eligible for this authorization, as there will be a requirement for testing the imported M2M SIMs inside India by latching onto a network under international roaming. The consequent network security and integrity implications can be addressed by permitting the offering of these services by regulated entities only.

The following entities are permitted to for sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes in the country:

- i. Unified Access Service License holder;
- ii. Unified License (Access Service Authorization) holder;
- iii. Unified License (Machine-to-Machine Authorization) holder;
- iv. Unified License for VNO (Access Service Authorization) holder;
- v. Unified License for VNO (Machine-to-Machine Authorization) holder; and
- vi. The companies holding M2MSP Registration with a specific permission for sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes



An applicant, if it is an Indian company registered under the Indian Companies Act, may seek permission for sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes at the stage of submitting application for 'Registration of M2M Service Provider (M2MSP) & WPAN/ WLAN Connectivity Provider for M2M Services'.

Any existing M2MSP registrant, if it is an Indian company registered under the Indian Companies Act may separately seek permission for sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes.

**(ii) Application processing fee for the authorisation;**

The M2M/IoT devices, in which the SIMs/eSIMs of foreign TSPs are embedded, are intended to serve global M2M/IoT connectivity solutions. Thus, it is important to ensure the ability of the applicants to sustain their business in the long run. Accordingly, an appropriate amount of application processing fee, as well as an entry fee, may be prescribed.

**(iii) Period of validity of the authorisation and conditions for its renewal;**

A 10-year authorization period will suffice and renewal should be processed 1 year prior to expiry on case to case basis.

**(iv) Service area of the authorisation;** National service area.

**(v) Scope of service of the authorisation;**

The Authorised Entity should be permitted to import of International Roaming SIM Cards (including eSIM) of Foreign Operators in India and export of these SIMs fitted in M2M devices as per the following scope:

Selling or renting of Subscriber Identity Module (SIM) owned by Foreign Cellular Mobile Service Providers to any M2M service provider or OEM in India intending to export India made devices abroad.

The end customer's scope should be limited to embedded SIM/eSIM on devices and testing in limited period and within factory environment, area specified by device and end user for testing. If such roaming sims seen to be used post test period, then DOT can direct India TSP to disable roaming or blacklist such connections.

**(vi) Authorisation fee;** Nil, The revenue from this service should be deductible from ApGR for access service authorization holders.

**(vii) Know-Your-Customer (KYC) requirements of the customers of the SIM/eSIM;**

We recommend a separate KYC policy based on very light touch regulatory approach for this use case of M2M foreign SIMs to be exported, as the existing retail KYC norms for foreign SIMs, with limited time and geography requirements, is not suitable for this use case.

We submit that in this case, the authorised entity should be required to maintain only the name and details of the OEM seeking SIMs along with the numbers of SIMs (and country



of origin of the SIMs) assigned to the OEM. The KYC of the end user or the actual custodian of the M2M SIM/eSIM may not be required, as these devices are meant for export and deployment outside India.

Imposition of stringent KYC requirements may discourage OEMs from choosing India for manufacturing of M2M/IoT devices and may prove to be a major hindrance in the vision of India becoming an export hub for such devices.

**(viii) Period for which a foreign SIM/ eSIM should be permitted to remain active in India for testing purposes;**

The foreign SIM should be allowed to remain active in India for maximum 6 months for testing purpose only. Such a time period is essential, to enable testing at different stages of manufacturing - service integration, end of line testing, pre-dispatch checks, etc.

It should be permitted to extend such duration on case to case basis – to allow for situations where testing takes longer due to longer production cycles, higher lead time for procurement of components, or delays due to unforeseen circumstances.

**(ix) Penalties for non-compliance;**

The compliance can be ensured by issuing the authorization only to regulated entities, i.e. Licensees and M2MSP providers, directly or through their subsidiary/affiliates companies, who are also governed by their respective authorizations.

**(x) General, commercial, and operating conditions etc. of the authorisation; and**

**(xi) Any other aspect.**

As the transactions pertaining. to imported M2M SIMs for export post fitting in devices will be B2B transactions, we request that commercial, or tariff-related requirements should be left to mutual agreement between parties.

There should not be any requirement for monthly reports to DoT or security agencies. The authorized entities should be required to submit an annual return of No. of foreign SIMs issued for export to OEMs or M2MSPs along with the name and details of the entity to whom such SIMs have been issued.

Further, the extant policy on NOC for sale/rent of IR SIMs or global calling cards contains a provision requiring NOC holders to intimate DoT, within 15 days of any change in the information provided at the time of application. In the interests of doing business, such time period should be increased to 30 days for the purposes of the policy on sale of foreign SIMs for use in M2M/IoT devices meant for export.

**Q3. Alternatively, in case it is decided to include the activity of the sale of foreign telecom service providers' SIMs/ eSIM cards in India for the use in M2M/ IoT devices meant for export purposes within the scope of the proposed service authorisation for the sale/ rent of international roaming SIM cards/ global calling cards of foreign operators in India, what amendments should be made in respect of the following terms and conditions of the said service authorisation:**



- (a) Scope of service;
- (b) Eligibility conditions for the authorisation;
- (c) Application processing fee for the authorisation;
- (d) Period of validity of the authorisation and conditions for its renewal;
- (e) Service area of the authorisation;
- (f) Authorisation fee;
- (g) General, commercial, and operating conditions etc. of the authorisation;
- (h) Any other aspect?

Please provide a detailed response with justifications.

#### COAI response

- a) Not Applicable.

**Q4. Whether there are any regulatory issues including those related to the agencies such as RBI, customs etc. in respect of the import of foreign telecom service providers' SIM/ eSIM cards for the use in M2M/ IoT devices meant for export purposes? Please provide a detailed response with justifications.**

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**Q5. Whether there are any regulatory issues including those related to the agencies such as RBI, customs etc. in respect of the export of Indian telecom service providers' M2M SIMs/ eSIMs for the use in M2M/ IoT devices meant for import purposes? Please provide a detailed response with justifications.**

#### COAI response

- a) A well-defined set of customs guidelines is essential to facilitate smooth import and export of SIMs/eSIMs, ensuring clarity in procedures, documentation, duties, and regulatory guidelines.
- b) A simplified, **single-window clearance system** should be introduced to consolidate approvals from various departments and promote ease of doing business.
- c) There should be a provision of deemed approval, if the application is not approved/rejected within 2 weeks of date of application.
- d) Further, in order to accommodate the requirements of different customers, it should be permitted to import only foreign TSP profiles as well as profiles along with SIM hardware.
- e) Furthermore, in case of export of Indian TSP SIMs, it is possible that the M2M/IoT device is assembled outside India, but the SIM module is manufactured within India. Similarly, it may be that the end product like vehicle/smart meter etc. is assembled outside India, but the IoT device fitted therein is manufactured within India. In order to effectively facilitate the operators, all such scenarios should be accounted for.
- f) While there are no restrictions on import/export of SIMs under the extant Foreign Trade Policy, the consignments including devices with embedded SIMs still face issues at



customs due to lack of clarity. In the interests of doing business, it is important to remove any ambiguity.

**Q6. Whether there are any other issues related to the subject matter? Please provide a detailed response with justifications.**

**COAI response**

- a) During testing purposes in India, following conditions are to be exempted w.r.t. sale of Foreign Telecom Service Providers' SIM/eSIM Cards for the use in M2M/IoT Devices meant for Export purposes.
- (i) Activation 13-digit MSISDN;
  - (ii) Restriction/whitelisting of 100 nos. IP/URLs & 4 nos. for SMS/Voice;
  - (iii) Maintain end user custodian details;
  - (iv) Exclusion of DKYC.

As above-mentioned points will depend upon regulation of respective countries.

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