Bharti Telemedia Limited's (BTL) Response to TRAI's Consultation Paper on KYC of DTH Set Top Boxes

1. **Is there a need for KYC or e-KYC of DTH Set Top Boxes to address the concern raised by MIB in their letter mentioned in paragraph 1.5 of this consultation paper? Give your answer with justification.**

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2. **If your answer to Q1 is in the affirmative then what process is to be followed?**

BTL's Response:

We submit that the DTH operators even today are following a KYC process and there is no need for any change in the current process, since the process is well-equipped to meet the requirements pertaining to provisioning of DTH services. Stringent KYC norms are applicable to those Industries where there are severe risks associated before forming a business relationship with the customer. In line with the same, stringent KYC norms are mostly applicable to the Banking Industry to track and mitigate any fraudulent financial activities by the customers. Due to the prevalence of bidirectional communication services, KYC verification assumes significance in the Telecom industry as well. Therefore, it is submitted that the nature of services being rendered has an overbearing in defining the contours of the KYC process.

Broadcasting of channels through DTH involves unidirectional communication only i.e. broadcast through Satellites and does not involve any inherent risk or misuse by the customers. In view of the same, introducing any additional measures for KYC other than what is being currently followed, would only aggravate the financial stress on the Industry and will consequently lead to higher prices for the consumer, without yielding any benefits.

As far as the current process is concerned, the DTH industry is already adhering to a comprehensive KYC process, which has been working effectively till date. During the provisioning of a new connection, a CAF is filled by the customer which captures details like Registered Telephone Number of the Subscriber, Name and Address for installation etc. These details are then entered into the systems. Only after these processes are completed, an Engineer is assigned, who visits the customer premises for installation and demonstration. Thus, in any case, the present system already meets the KYC requirement of capturing the customer's identity and address. **The subscriber activations are done using the above processes, which mitigates any**

apprehensions about the misuse of DTH services by these customers. The DTH operators captures the required details of the subscribers in the system and the installation of equipment and demonstration is done at the installation address only and such process aids in establishing the veracity of the customer details.

One of the objectives stated by MIB in its reference to TRAI is to stop the illegal smuggling of Set-Top boxes to the other countries. We submit that even this objective cannot be met by introducing any additional requirements with respect to KYC.

As per our current understanding, Aadhaar based KYC cannot be used for the said purpose , even after the recent issuance of The Aadhaar and other laws (amendment) ordinance, 2019.. On the other hand, mandating the provisions related to storing customers' Proof of Identity (PoI) or Proof of Address (PoA) will increase costs and introduce logistic challenges in the Industry and will not serve any purpose to stop smuggling. Moreover, it will not be in coherence with the Government's objective of 'Ease of Doing Business' and Digitization of various processes.

Therefore, we submit that the need of the hour is to further ease the process of onboarding of the customers and to make it more seamless with Digitization. In line with this objective, the Industry is working towards the use of electronic Customer Application Form (e-CAF) as per TRAI's direction. In the proposed e-CAF process, which shall replace the current CAF Process, the Engineer will visit the customer's place for installation and will update the customer details and take digital signature of the customer on a digital form in the e-CAF application on the phone. The Digital CAF Form will then be auto saved in a secured server location which can be retrieved anytime.

3. **Whether one-time KYC is enough at the time of installation or verification is required to be done on periodic basis to ensure its actual location? If yes, what should be the periodicity of such verification?**

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4. **Whether KYC of the existing DTH STBs is also required to be done along with the new DTH STBs? If yes, how much time should be given for verifying the existing STBs for DTH?**

BTL's Response:

We firmly believe that the current one-time KYC at the time of installation is more than adequate as it duly meets the essence of any KYC process. Therefore, there is no need to introduce a system of re-verification.

Further, at the cost of repetition, periodic verification in case of DTH industry has no relevance as the services provided over DTH platforms pose no threats or risks as these services are unidirectional and are made available transparently to the customer. When the verification activity yields no productive outcome, there is no rationale in terms of mandating a periodic re-verification exercise as the same will simply translate into a sizeable financial burden on the DTH industry as well as wastage of resources for a non-productive exercise.

Moreover, re-verification will be a daunting and insurmountable task due to the complexities involved in taking customer consent and appointment or unavailability of customer due to various reasons. It should be considered that it will cause huge inconvenience to users and may raise their apprehensions about the services. Therefore, we recommend that there should not be any change in the existing processes and the system of re-verification should not be introduced.

5. **Whether the location-based services (LBS) needs to be incorporated in the DTH set top boxes to track its location? Will there be any cost implication? Give your response with supporting data and justification.**

   BTL's Response:

   We submit that there is no need to introduce the LBS requirement for the DTH Set-Top boxes. To the best of our knowledge, there is no such implementation of LBS for DTH services anywhere in the world.

   Moreover, the existing DTH STB works on one-way communication system. There is no provision for a return path and no solutions available with the currently available set-top boxes. If any such implementation has to be done, it will not only add costs per Set-Top box but will also involve development costs as this solution will have to be developed specifically for the Indian Market.

   Therefore, we oppose the proposition as it will entail a huge financial burden on the DTH industry, which is already reeling under severe financial pressure. Such proposal will make the services costlier for the end customer as well. To address the issues affecting a relatively miniscule number of set-top boxes as compared to the total base, it is not recommended to put the entire Industry and customer base under such unnecessary burden.

To mitigate the smuggling of set-top boxes to the other countries, it is recommended to incorporate measures at the border/customs, where this issue can be dealt effectively. Moreover, effective measures should be taken by the affected countries to control the use of smuggled set-top boxes in their jurisdictions. We understand that some of these countries are already implementing such measures.

It will also raise apprehensions of the customers about the DTH Services raising privacy concerns and thus, will not be received well by them.

6. **Any other issue relevant to KYC of DTH Set Top Boxes?**

   BTL Comments:
   No Comments