Dear Ma'am/Sir,

On behalf of Civic Innovation Foundation, we would like to share with you citizen's responses to the Consultation Paper on Encouraging Innovation in the Digital Communications Sector using Regulatory Sandbox, gathered on our online platform www.civis.vote.

0 responses were gathered on the document. To view citizen's feedback, please click on the link provided below:

View Responses

Should this report be relevant to any other officer in the Telecom Regulatory Authority of India, please do forward this report to them.

We appreciate and laud your commitment to public consultations.

If you are unable to access the report or if we can provide any further assistance, donot hesitate to reach out to us at: info@civis.vote.

Best regards,
Team Civis

Summary

The Telecom Regulatory Authority of India (TRAI) has floated a consultation paper on encouraging Innovative Technologies, Services, Use Cases, and Business Models through a Regulatory Sandbox (RS).

In this context, RS refers to special terms and conditions of a license, registration, authorization or assignment that would allow companies to conduct **live testing of products and services in a controlled environment**.

Several countries like Singapore and the UK have already implemented Regulatory Sandboxes in the digital communications sector, with a focus on having defined frameworks to manage the risk of testing proposed innovations.

The Department of Telecommunication (DoT) has also encouraged the usage of RS to innovate in the Digital Communications sector through the Draft Indian Telecommunication Bill, 2022.

The Need for a Regulatory Sandbox:

In the Digital Communications sector, the most common ways of testing products or services are conducting pilot tests or lab tests. However, these tests do not permit any exemption from regulation and licensing. Moreover, such tests cannot use live telecom resources and real time data.

The RS framework can be used as an alternative and additional approach to these conventional methods:

- It guarantees access to **live environment and real time data** and requires minimum compliance with the full range of regulatory requirements.

- Since digital communications products are used by millions at a time, it is necessary to test them for **scalability and reliability** before their launch.

- Failure to innovate in the sector could be costly to the concerned company as the sector as a whole is capital-intensive.

- Inter-sectoral collaboration is crucial for the digital communications sector, particularly for testing 5G or 6G use cases. RS could **facilitate cross-communication** while ensuring that the control and ownership of testing processes remains with the owner.

Issues with a Regulatory Sandbox:

- It is possible that the innovators may **lose some time** in going through the RS process.

- Moreover, since the licensing/regulatory authority shall grant relaxations on a case-by-case basis, **discretional bias** may be a possibility.

- Furthermore, after exiting the RS, a successful participant may still require **more approvals** before their product or service is deemed fit for wider application.

Eligibility:

Any licensed Service Provider can apply to participate in the RS subject to certain conditions, some of which are as follows :

1) **Indianness**: The licensed Service Provider should be incorporated and registered as an Indian entity.

2) **Net worth**: The applicant should have a minimum net worth of **25 lakhs** according to the latest audited balance sheet.

3) **Necessity**: The applicants should be able to demonstrate that their product or service cannot be tested without relaxing certain regulations. They should also prove that testing on live customers is absolutely necessary.

4) **Customer protection**: The applicant will have to undertake indemnity insurance to protect the interests of participating customers. Only customers who give their voluntary consent can be onboarded. The insurance cover should begin from the start of the testing stage and end two months after the exit from the RS.

5) **Exit strategy** : The applicant must provide written proof of how they plan to exit the RS. The participating customers should be informed of the wider implications of the exit.

Other important provisions:

1) **Approval process** : The application for participating in a RS will pass through three stages - a) Application Stage b) Evaluation Stage c) Testing Stage. DoT/TRAI will have the authority to reject the application at any stage of the trial.

2) **Validity**: Once approved, the product or service can be tested in the RS for a maximum of twelve months. However, exemptions may be granted by the DoT/TRAI on a case-by-case basis.

3) **Oversight and Governance body**: The DoT/TRAI will form a body of experts to ensure the effectiveness and accountability of RS testing. The body shall design a monitoring and evaluation framework to oversee the performance of each project and provide recommendations for betterment.

4) **Funding**: DoT/TRAI has encouraged applications from all interested licensed Service Providers, irrespective of their monetary capabilities. However, applicants who demonstrate some degree of self-funding will have a higher chance of acceptance. Applicants seeking funding from DoT/TRAI must clearly state so in their proposals. Funding from the DoT/TRAI will be subject to evaluation from a body of experts.

[To read the complete consultation paper, you may click here.](#)

[To read the Draft Indian Telecommunication Bill, 2022, you may click here.](#)

Consultation satisfaction

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SENDING IN YOUR RESPONSE TO

Consultation Paper on Encouraging Innovation in the Digital Communications Sector using Regulatory Sandbox

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