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Shri Ashwini Vaishnaw
Hon'ble Minister of Communications, Electronics and IT
Ministry of Communications

Subject: Request to ease the MTCTE regulation and enhance the Ease for Doing Business for ICT industry

Hon'ble Sir,

I am writing to you on behalf of the members of MAIT. Incorporated in 1982, MAIT represents the interest of companies championing the electronics hardware manufacturing eco-system of India. At the outset, the members of MAIT would like to assure your good offices that we are completely aligned and extend our full support to safeguard the Indian telecom network. We assure you that the industry is putting its best efforts to comply with the requirements as specified in the MTCTE regulation. However, despite DoT and TEC's efforts to establish a robust ecosystem to perform in-country testing and certification of telecom equipment, the industry is facing some grave challenges which have the potential to cripple the businesses. We respectfully request your immediate attention on the below issues which, if left un-addressed, could significantly hamper the ease of doing business in India.

- 1. Product Regulatory overlap:** Certain ICT products currently are regulated under both the MeitY's *Compulsory Registration Scheme (CRS) 2012* as well as by DoT's *MTCTE regulation*. These products include Point of Sales (POS), Smart Watches, CCTV Camera, Servers, Mobile phones, Cordless phones, and Conferencing equipment. With the rapid change in technological advancements and changing customer preference, it is noted that the shelf life of most of the ICT products is 6-8 months. New product takes close to 3 months to get tested and registered with BIS under the CRS. With the added requirement of MTCTE certification on these products, the product launches may get delayed by at least six months. The overlapping certifications only increases the compliance cost, time and effort of the industry, and do not add further value in term of the product safety or quality to the Indian customer. **Therefore, we request your good office to intervene and instruct DoT and TEC to de-notify the above said products from MTCTE.**
- 2. Aggressive implementation timelines:** TEC, on 22 September 2021, announced the MTCTE Phase-3 and Phase-4. The implementation dates for these two Phases are July 1, 2022. Industry has strong intent to support the regulation and comply with MTCTE requirements. However, as the deadline of July 1, 2022 is very close, we fear the industry would not be able to meet the compliance requirements.

For implementing a good governance system, it is pertinent to ensure the readiness of all the involved stakeholders. At present, there is not even a single lab in the country which can perform end-to-end testing of a telecom product against all the parameters specified by the TEC. Further, there are only 3 TEC approved labs available in India to perform the technical parameter testing. These 3 labs are expected to test approx. 1500+ models against 15 product variants notified under the MTCTE Phase-3 and Phase-4.

For comparison purpose, MeitY while notifying an ICT product under its CRS gives industry on an average one (1) year for testing and certification. The CRS products are

tested for just one parameter (i.e., safety). On the other hand, under MTCTE the product is required to be tested for multiple requirements including safety, EMI/EMC, technical requirements (i.e., functional testing, radio conformance testing), and other requirements (i.e. IPv6 testing). But the industry has been given just 8 months to comply with such an onerous testing requirement.

Considering the current scarcities of Global Chip, industry requests at least 18 months for implementation of the Phase-3 and Phase-4.

3. **Hustled approach by TEC to announce future phases:** TEC announced the Phase-1 of MTCTE in July 2019 with just 6 product variants. In less than 2.5 years, TEC has expanded the product scope from 6 to 56 product variants (47 of which are covered in MTCTE Phase 3 & 4 alone). TEC further plans to notify 8 additional products under MTCTE Phase-5 by April this year. With the limited number of labs in the country, we forebode that the product launches in India would be impacted, depriving the Indian consumers from access to the latest technology, inadvertently harming the economic growth, and may also erode the confidence of the global investors.

We request your good offices to direct the DoT to not rush through the implementation of the regulation. As you would be aware, MeitY announced the CRS in 2012 with 15 product categories. In a span of 9 years, MeitY has regulated only 63 products under 5 phases. For an effective policy enforcement, it is vital to ensure the ecosystem stabilizes and all the stakeholders feel confident. This will also give the industry, labs and the regulators, sufficient time to prepare for testing and certification.

Finally, we would like to emphasize that there is a need for light-touch regulation in place of a stringent regulatory regime, which if not addressed properly could result in imbalance for the industry. We are optimistic that the honourable Prime Minister's vision of making India a US\$5 trillion economy can materialise if we focus on cutting down unnecessary multiple regulatory compliances and related operational issues.

We look forward to your favourable support.

With regards,



George Paul
Chief Executive Officer

CC: Shir K Rajaraman, Secretary, IAS, Department of Telecommunications