



## NEW PENALTY NORMS FOR UNIFIED ACCESS SERVICE PROVIDERS IN THE PIPELINE

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Per the unified license agreement, the maximum penalty for violation of any term and condition of the unified license is INR 500 million exclusive of liquidated damages. It has been observed that DoT usually imposes penalties disproportionate to the violations. As a result of the heavy criticism within the industry, DoT will notify new penalty norms which are expected to be enforced by the end of February 2015. The Telecom Commission has approved a graded system of imposition of penalties. As part of the new penalty system, factors such as the seriousness of the violation and its impact on the industry, the policy environment, the government exchequer, customer and national security will be taken into consideration while deciding the penalty. The penalties have been categorized in the following categories i.e. fine of INR 100,000 will be imposed in case of warning, INR 10 million for a minor breach, INR 50 million for moderate breach, INR 200 million for major breach and INR 500 million for severe offences.

**PSA view –** The Telecom Disputes Settlement & Appellate Tribunal has criticized imposition of penalties by the DoT as a manner of earning revenue. The new penalty norms would not only lead to proportionate imposition of fines, but will also help in quicker realization of penalties as small amounts would not be contested in court. As opposed to a fine of INR 500 million which was being imposed even for minor breaches.

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