

# TELECOM REGULATORY AUTHORITY OF INDIA

## NOTIFICATION

New Delhi, the 21<sup>st</sup> March, 2006

**[File No. 305-8/ 2004 (QoS)].** In exercise of the powers conferred upon it under section 36 read with paragraphs (i) & (v) of clause (b) and clause (d) of sub section (1) of section 11 of TRAI Act 1997, the Telecom Regulatory Authority of India hereby makes the following regulation, namely:

### **Short title, extent and commencement**

1. i) This regulation shall be called **“Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006”** ( \_\_\_ of 2006)( *hereinafter called the ‘Regulation’* ).
- ii) This regulation shall be applicable to all the Basic Service Providers, Unified Access Service Providers and Cellular Mobile Telephone Service Providers, including Mahanagar Telephone Nigam Limited and Bharat Sanchar Nigam Limited.
- iii) This regulation shall come into effect from the date of its publication in the Official Gazette.

### **Definitions**

2. In this Regulation, unless the context otherwise requires:
  - i) **‘Act’** means the Telecom Regulatory Authority of India Act, 1997.
  - ii) **‘Basic Telecommunication Services’** means services derived from a Public Switched Telephone Network (PSTN) and as specified in the licence.
  - iii) **‘Cellular Mobile Telephone Services’** means services derived from a Public Land Mobile Network (PLMN) & as specified in the License. This includes both Cellular Mobile Telephone Service provided through GSM and CDMA Technology.

- iv) **'Quality of Service'** is the main indicator of the performance of a telephone network and of the degree to which the network conforms to the stipulated norms.
- v) Words and expressions used in this Regulation and not defined here shall bear the same meaning as assigned to them in the Act.

**Purpose of laying down the Code of Practice for Metering and Billing Accuracy:**

3. The purpose of laying down the Code of Practice for metering and billing accuracy is to:

- i) Bring uniformity and transparency in the procedures being followed by service providers with regard to metering and billing.
- ii) Prescribe standards relating to accuracy of measurement, reliability of billing.
- iii) Measure the accuracy of billing provided by the Service Providers from time to time and to compare them with the norms so as to assess the level of performance.
- iv) Minimize the incidences of billing complaints.
- v) Protect the interest of consumers of telecommunication services.

**4. Code of Practice for metering and billing accuracy:**

The service provider is required to comply with the Code of Practice for metering and billing accuracy as laid down in Annexure-1.

**5. Review:**

The code of practice for metering & billing accuracy as given in regulation 4 above may be reviewed by the Authority from time to time. The Authority, on reference from any affected party, and for good and sufficient reasons, may review and modify this regulation.

**6. Auditing of Metering and Billing System:**

The Authority shall notify the panel of auditors to certify the Metering and Billing System of service providers. The service providers shall arrange audit of their Metering and Billing System in compliance with this regulation on an annual basis through any one of the auditors as may be notified by the Authority and an audit certificate thereof shall be furnished to the Authority not later than 30<sup>th</sup> June of every year.

**7. Explanatory Memorandum:**

This regulation contains at Annexure-2, an explanatory memorandum, which explains the background and reasons for its issuance.

**8. Interpretation:**

In case of any doubt regarding interpretation of any of the provisions of this Regulation, the decision of the Authority shall be final and binding.

**(Sudhir Gupta)**

**Advisor (QOS)**

**Code of Practice for metering and billing accuracy**

**1. Information relating to Tariffs**

**1.1** Before a customer is enrolled as a subscriber of any telecommunication service, he shall be provided in advance with detailed information relating to the tariff for using that service, in accordance with TRAI's Direction No.301-26/2003-TRAI(Eco) dated 2<sup>nd</sup> May, 2005 and No.301-49/2005-Eco dated 16.09.2005. Further, the service provider should inform the customer in writing, within a week of activation of service, the complete details of his tariff plan. Such information shall be in the format "C" prescribed in TRAI Direction No.301-26/2003-TRAI (Econ.) dated 2<sup>nd</sup> May, 2005. In addition, the following information shall also be provided:

- Quantity related charges (e.g. the charge for each SMS message, or kilobyte of data transmitted).
- Accuracy of measurement of time, duration and of quantity, and also the resolution and rounding rules, including the underlying units, used when calculating the charges for an individual event or an aggregation of events
- Contractual terms and conditions for supply, restriction and cessation of Service

**1.2** The information required in clause 1.1 shall be available on the Service Provider's web site, as prescribed in TRAI Direction No.301-26//2003-TRAI (Econ.) dated 2<sup>nd</sup> May, 2005.

**1.3** Where a value-added service (e.g. download of content, such as a film clip or ring tone) or entry to an interactive service (such as a game) can be selected through a choice of the service user (e.g. by dialing a specific number) then the charge for the service must be provided to him before he commits to use the service.

**2. Provision of Service**

The services provided to the customer and all subsequent changes therein shall be those agreed with him in writing prior to providing the service or changing its provisions.

### **3. Accuracy of Measurement**

**3.1** All charges must be consistent with the published Tariff applicable to the end-user charged.

**3.2** Unless otherwise specified in the published Tariff or previously agreed Tariff, a charge shall be determined in accordance with the following limits:

(a) Where the charge is dependent upon duration, the recorded duration shall be measured to within:

(i) Between +1 seconds and -1 second; or

(ii) Between +0.01% (1:10,000) to -0.02% (1:5,000)

whichever is less stringent; and

(b) where the charge is dependent upon the time of day, the time of day shall be recorded to within  $\pm 1$  second, traceable to an appropriate time reference; and

(c) where the charges are dependent upon the counting of occurrences of a particular type, the count shall be accurate to no more than plus 1/25,000 (0.004%) or minus 1/1,000 (0.1%).

**3.3** Where measurement under clauses 3.2 (a), (b) & (c) reveals systematic errors in timing or counting that result in overcharged events which are not stated in published Tariffs then correction should take place to ensure accurate Bills.

### **4. Reliability of Billing**

**4.1** The performance of a Total Metering and Billing System shall be, subject to the tolerances specified in clause 3.2:

(a) the numbers of items of service usage that are overcharged events or undercharged events, as a proportion of the total number of chargeable events, shall not exceed the limits shown in Table 1; and

(b) the sum of the values of the errors in the overcharged events or undercharged events, as a proportion of the total value of the total number of Chargeable events, shall not exceed the limits shown in Table 1.

**Table 1 – Total Metering and Billing System reliability performance requirements**

Chargeable events	Performance
Number under or not charged	0.1% (1 in 1000)
Number overcharged	0.004% (1 in 25,000)
Value under or not charged	0.05% (1 in 2000)
Value overcharged	0.002% (1 in 50,000)

- 4.2 Where implementation of an order for a service, feature or discount which depends on the number or duration of chargeable events is applied at variance with published Tariffs, each chargeable event within the scope of the incorrectly applied order shall be an undercharged event or an overcharged event, as appropriate, for the purposes of clause 4.1.
- 4.3 Where an item of service usage is completed other than intended, but the charge applied is correct for the service as delivered, this shall not be regarded as either an undercharged event or an overcharged event.
- 4.4 The increase in duration or number of items of service usage resulting from degraded transmission performance shall not be taken into account when computing the performance of the system.

**5. Applying Credit to Accounts**

- 5.1 For post-pay accounts, payments made by a customer shall be credited to his account within 3 working days of receipt of the cash/ cheque. Where credit is given by the service provider, this shall be applied within one working day of its agreement.
- 5.2 For pre-pay accounts, top-up credit shall be applied to a customer’s account within 15 minutes of its application. Where credit is given by the service provider, this shall be applied within 1 day of its agreement.

**6. Timeliness of Post Pay Billing**

- 6.1 The timeliness of bill issue or bill data file issue shall be subject to systematic processes.
- 6.2 Any chargeable events the details of which are not available when the bill is prepared shall be included in a subsequent

bill, but not later than the fourth monthly bill after the chargeable events occurred. Any details not so presented shall be written off and if significant be counted against the performance for undercharged events in clause 4.1. Exceptionally, event details from a separate service provider may be billed up to three months after receipt.

**6.3** Agreement to extend the timescales described in clause 6.2 may be sought from the TRAI. An extension will only be available on an irregular basis. Decisions will be made on application for an extension concerning:

(a) the method in which how customers will be informed of a protracted delay in rendering call records onto a subsequent bill; and

(b) the integrity of the billing process audit arrangements.

**6.4** The service provider shall contract with its delivery agent to ensure that an effectual bill or bill data file delivery schedule is in place. The existence of such a contract shall be subject to audit.

## **7. Restriction and Removal of Service**

Where the service provider unilaterally intends to restrict or cease service to the customer, a notice shall be provided to the customer in advance of such action so that the customer has reasonable time to take preventive action to avoid restriction or cessation of service.

## **8. Complaint Handling**

**8.1** The service provider shall have a documented process for identifying, investigating and dealing with billing complaints and creating appropriate records thereof.

**8.2** The service provider shall carry out a root cause analysis for each upheld billing complaint, categorise the cause and establish proportionate remedial action to correct it.

**8.3** Where the root cause affects multiple customer accounts, then all affected Bills shall, if practicable, be included in a recovery programme.

**8.4** Where remedial action has not been completed and the cause is likely to affect other bills when issued, then the service

provider shall take reasonable steps to ensure that they are checked and, if necessary, corrected, before being sent to the customer. If not checked and corrected such Bills shall be included in a recovery programme (clause 8.3).

## **9. Materiality**

Compliance with the requirements contained in this regulation shall need to be demonstrated only in relation to products and services that have a material impact on the customer's bill. This materiality is deemed to be:

- (a) where the service provider's turnover from a product or service comprises 5% or more of its total turnover with the customers targeted for that product or service; or
- (b) where the number of customers subscribing to a product or service offered by the service provider comprises 5% or more of the customers targeted for that product or service; or
- (c) at the specific direction of the TRAI.

## **10. Submission of Compliance.**

The service providers shall submit the compliance of above code of practice to TRAI on yearly basis.

**EXPLANATORY MEMORANDUM**

**BACKGROUND**

1. TRAI has been regularly receiving many billing related complaints, particularly from the mobile customers. For building the confidence of the subscribers in the Billing and Call Charging systems of Telecom Operators, an international consultant had been engaged to help carry out an audit of the metering and billing system of different service providers. The objective of the exercise was to help TRAI define the parameters with benchmarks for fair and reliable metering and billing system. The auditing of the billing systems of mobile operators revealed that while the billing systems being used by various operators are comparable to other systems being deployed by major international players, some of the process/ procedure being followed by the mobile operators leads to customer complaints and the attendant customer dissatisfaction.

2. As a follow-up to the audit of the billing system of mobile operators, the Authority had developed a draft Code of Practice for metering and billing accuracy, which has benchmarks for metering and billing system, so as to bring standardization and transparency in the procedures being followed by various operators. The Authority had undertaken public consultation on the draft Code of Practice for metering and billing Accuracy along with other issues emerged out of auditing of billing systems of mobile operators such as charging for undelivered SMS and short duration calls by releasing a Consultation Paper on these issues on 2<sup>nd</sup> May, 2005. This paper discusses these benchmarks, Code of Practice for metering and billing accuracy, the international practices and regime for regulating the Code of Practice. Open House Discussions with the stakeholders were held at Hyderabad, Kolkata, Mumbai and Delhi in September/ October, 2005. The Authority considered the comments received from stakeholders while finalizing the Regulation.

#### Code of Practice for metering and billing accuracy:

The service providers, though broadly in agreement with the benchmarking and Code of Practice, were not in favour of a separate benchmarking other than those given in the QOS Regulation. The parameter given in the QOS Regulation is complaints-based measure of billing accuracy. While analysis of upheld billing complaints to find root causes is useful in preventing further occurrences of a problem, and is to be encouraged, it is a proactive process. System assessment and performance measurement, if done frequently, has the advantage, of identifying problems and rectifying them before the subscriber becomes aware of them. This reduces the incidence of complaints, benefiting the operator through the reduction of costs of complaint handling, and reducing the burden of complaints referred to the regulator. As such, the Authority felt that it would be appropriate to implement a Code of Practice for metering and billing accuracy.

#### **4. Information relating to Tariffs**

4.1. During the consultation process on Billing Issues TRAI had issued the following directions/ order relating to tariff:

i). Presenting, marketing or offering tariff plan in any misleading manner is not permitted. All monthly fixed recurring charges which are compulsory for the subscriber under any given plan shall be conveyed as a single figure under one head (TRAI's Direction dated 16.09.2005).

ii). The Service Providers must inform the customer in writing, within a week of activation of service, the complete details of his tariff plan. In addition, as and when there are any changes in any aspect/item of tariff in the chosen package, the operator shall intimate, in writing, such changes to those subscribers whose tariff packages undergo a change (TRAI's direction dated 29.06.2005 on information to customers about complete details of the tariff plan)

iii). The Service Providers must publish in all communications/ advertisements relating to premium rate services, e.g. ring tones, wall paper, astrology, quiz etc. the pulse rate/ tariff for the service (TRAI's direction dated 03.05.2005 on Premium Rate Services).

iv). Websites of the service providers shall contain comparison of tariff plans in terms of estimated monthly bill. i.e. financial implications based on certain preset assumptions along with the complete details (TRAI's Direction dated 02.05.2005).

4.2. These directions/order are also incorporated in the Code of Practice. The information regarding rounding rules, accuracy of measurement of time and of quantity, and also the resolution and rounding rules, including the underlying units, used when calculating the charges for an individual event or an aggregation of events could be given to a customer in writing at the time of his enrolment or immediately thereafter, but within a week of activation of service. In the case of a pre-paid customer this information could be given along with the SIM Card.

4.3.. Presently the service providers are offering a range of value added services, many of which are premium rate services like tele-voting, tele-quiz, games, contests etc. In order that the customer is aware of the different rates for these premium rate services it has been provided in the Code of Practice that the customer should be provided information about the charges for the premium rate service every time before he commits to use the service. The service providers should implement necessary changes in their IVR system for enabling automatic provision of information about premium rate services.

4.4. Regarding Provision of Service at item 4.1(ii), the service providers had represented that SMS may be allowed as a medium for obtaining the consent of the customer for any service. The Authority has accepted this suggestion and SMS could be used as a medium for obtaining the consent of the customer for any service. Such consent through SMS should be explicit and there shall be no

deemed consent i.e. consent through default, if no message is received by the service provider.

4.5. The Authority shall identify a panel of Agencies capable for auditing the billing system. These Agencies are expected to be notified by 30<sup>th</sup> April, 2006. The service providers may appoint any one of these Agencies for auditing their billing system vis-à-vis the Code of Practice for metering and billing accuracy. The certification of the billing system should be done on an annual basis. The Certificate issued by the Agency shall be filed with TRAI not later than 30th June of every financial year. The charges for such certification of the billing system shall be borne by the service providers. The service providers shall take corrective action on the inadequacies, if any, pointed out by the Agency in the Certificate and an Action Taken Report thereon shall be filed by with TRAI not later than 30th September of every financial year.

4.6. Before finalisation of this regulation, this regulation in its draft form was sent to all the service providers and consumer organizations for their comments.