

## **Relaxation of Rules for Other Service Providers**

### **Why in news?**

The Centre relaxed the rules for governing Other Service Providers

### **What were the previous rules?**

- The existing rules governing the outsourcing companies were introduced in 1999 when the telecom sector was highly regulated.
- The Centre wanted to keep a tab on the voice traffic flowing within various call centres.
- By doing so, it wanted to ensure that no one infringed on the jurisdiction of telecom service providers.

### **What are the new rules?**

- Under the new rules, non-voice processes have been kept out of the definition of other service providers.
- Even for voice based call centres, there is no registration or reporting requirement.
- Other requirements such as deposit of bank guarantees, requirement for static IPs, publication of network diagram, frequent reporting obligations, penal provisions have been removed.

### **How has the pandemic affected the ITeS Companies?**

- The pandemic has increased the pace of technology adoption as clients and their customers move to a digital environment.
- Digital transformation and migration to the cloud have become the need of the hour.
- More than 85% employees of IT companies function from home.
- From a centralised architecture, IT services companies have had to restructure their entire organisation.

### **How will the current move help?**

- The new rules for Other Service Providers (OSPs) seek to create a friendly regime for 'Work from Home' and 'Work from Anywhere' & removing frequent reporting obligations of companies.

- It makes accessing and maintaining data from remote places easier and quicker.
- The costs related to real estate and managing offices will go down.
- This will help in creation of jobs in smaller cities.
- In the old business model, talent had to be relocated from their hometown.
- Now, a qualified person does not have to migrate to work in an MNC.
- Another benefit is the boost it will give to the gig economy.

**Source: Business Line**

