

# New Guidelines for Other Service Provider (OSP)

February 18, 2021

**In news :** The Prime Minister, while addressing NASSCOM Technology and Leadership Forum (NTLF) mentioned "Other Service Provider" (OSP) guidelines which were issued during the Corona period.

## **Aim of the guidelines**

The new guidelines are aimed at removing unnecessary bureaucratic restrictions to allow the industry to focus on innovative new products and solutions.

## **New Guidelines for Other Service Provider (OSP)**

After more than a year, the Telecom Regulatory Authority of India had suggested relaxations of registration, submission of bank guarantee and other norms for other service providers (OSP) in the business process outsourcing (BPO) and information technology-enabled services (ITes), the Department of Telecom eased these rules in November 2020. Following are the some of the important guidelines:

- **With an aim to qualitatively improve the Ease of Doing Business of the IT Industry particularly Business Process Outsourcing (BPO) and IT Enabled Services**, the Government has drastically **simplified the Other Service Provider(OSP) guidelines of the Department of Telecom.**
- The new guidelines tremendously reduce the compliance burden of the BPO industry.
- It is clarified that the registration requirement for OSPs has been done away with altogether and the BPO industry engaged in data related work have been taken out of the ambit of OSP regulations.
- In addition, requirements such as deposit of bank

guarantees, requirement for static IPs, frequent reporting obligations, publication of network diagrams, penal provisions etc. have also been removed.

- Similarly, several other requirements, which prevents companies from adopting 'Work from Home' and 'Work from Anywhere' policies have also been removed.
- Additional dispensations to enhance flexibility for the Industry have been allowed.
- The new framework will provide a strong impetus to India's industry and will make India one of the most competitive IT jurisdictions in the World.
- The new guidelines are inspired by Prime Minister Modi's strong emphasis on Minimum Government, Maximum Governance

### **Significance:**

The reform will certainly unleash the potential of our talented youth by making India as a preferred destination for Information and Knowledge Outsourcing Industry And would further the vision of 'AtmaNirbhar Bharat'.

### **Who are Other Service Providers (OSP)?**

Other service providers are companies or firms which provide secondary or tertiary services such as telemarketing, telebanking or telemedicine for various companies, banks or hospital chains, respectively