



JSA Prism Regulatory (Communications)

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Amendment in License Agreements pursuant to change in FDI norms in the Telecom Sector

In a major step towards implementing the Foreign Direct Investment (“FDI”) reforms announced by the Union Cabinet on September 15, 2021, as part of the telecom reforms in India, the Department of Telecommunications (“DoT”) has notified amendments in various telecom license agreements including the following license agreements:

- Unified License;
- Unified License (Virtual Network Operator);
- Unified Access Services License;
- Commercial Very Small Aperture Terminal (VSAT) Closed User Group (CUG) services;
- INSAT- Mobile Satellite System (MSS) Reporting services;
- National Long Distance (“NLD”) License;
- International Long Distance (“ILD”) License; and
- ‘Sui generis’ category license granted to BSNL for provision and operation of satellite based services using gateway installed in India.

Subsequent to the afore mentioned amendments, up to 100% FDI is permitted in the telecommunication sector without any prior governmental approval (i.e., the automatic route) subject to the following conditions:

- An entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated or is a citizen of any such country, can invest only under the government route i.e., with prior governmental approval.
- In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview of the above-mentioned condition, such subsequent change in beneficial ownership will also require government approval.

For more details, please contact km@jsalaw.com



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