Latest Revisions to the Process for the Sale of SIM Cards

Why in news?

Ministry of Communication has introduced reforms (revision of norms for bulk procurement of SIM cards and registering the final point of sale (PoS) by the licensees) to tackle the menace of cybercrime and financial fraud.

What is the need for reforms?

- **Suspicious connections**- Sanchar Saathi, a citizen centric portal analysed 114 crore active mobile connections.
- Of these, 66 lakh connections were flagged as suspicious, and 52 lakh connections were disconnected because they failed re-verification.
- **Blocked accounts**- Around 66,000 WhatsApp accounts have been blocked.
- **Frozen accounts**- Around 8 lakh bank/wallet accounts used by fraudsters were frozen.
- **Fraudulence-** As per the Department of Telecommunication (DoT), more than 300 FIRs have been filed against more than 1,700 dealers.

Sanchar Saathi
• It is a citizen-centric initiative of Department of Telecommunications that was launched in 2023. • **Aim**- To empower mobile subscribers, strengthen their security and increase awareness about citizen centric initiatives of the Government. • It is an integral part of *Digital India vision.* • **Functions-** It allows citizens to - **Check-** The connections registered against their names. - **Block-** Mobile phones which are stolen or lost, - **Report-** Fraudulent or unrequired connections - **Verify-** The genuineness of a device (before a purchase) using the IMEI (International Mobile Equipment Identity). • **Keep Yourself Aware facility-** It provides latest updates and awareness material on different aspects related to end user security, telecom and information security. • **Modules-** It utilises two modules, - Central Equipment Identity Register (CEIR) - Telecom Analytics for Fraud Management and Consumer Protection (TAFCOP). • **CEIR module-** It facilitates tracing of the lost/stolen mobile devices. • **TAFCOP module**- It allows users to check all the mobile numbers registered using Aadhaar card. • **ASTR-** It is Artificial Intelligence and Facial Recognition powered Solution for Telecom SIM Subscriber Verification that helps to identify fraudulent subscribers.

What are the reforms for Bulk SIM Cards?

- It is observed that 20% of bulk procured SIMs were misused, to make automated calls using SIM-box.
- **Limited procurement-** The latest provisions would replace the system of 'bulk procurement' of SIM cards by businesses, corporates etc.,
- **Comply with KYC norms-** Businesses can procure any number of connections, but it would be subject to completing KYC requirements for all end-users.
- This would help recognise each end user.
- **Activation of SIM-** The SIM would be activated only after successful KYC of the user and physical verification of the premise/address.
- **Prevent Aadhaar misuse-** The provisions ***mandate*** *that demographic details* would need to be captured by scanning the QR code of the printed Aadhaar.
- **Provisions to replace SIM**- Subscribers would also have to undergo the entire KYC procedure for replacing their SIM.
- For a period of *24 hours*, all outgoing and incoming SMS facilities would be barred.
- **Authentication procedure**-As a part of E- KYC process,
    - Thumb impression
    - Iris-based authentication
    - Facial based biometric authentication are permitted.
- **Disconnection**- In case of disconnection of a mobile number, it would not be allocated to any other customer for *90 days.*

What are the reforms regarding Point of Sale (PoS)?

- **Registration-** It is ***mandatory*** *to register all PoS* with licensees or the telecom network operator for franchisee, agents and distributors of SIM cards.
- **Operator role-** It is the duty of the operator to carry out an "indisputable" verification of the PoS.
- **Police verification-** The police verification of the dealer is ***mandatory.***
- **Agreement-** The formal agreement for the sale of SIM cards between the PoS and licensees must be put down in writing.
- **Deadline to register-** Existing SIM card providers have been given 12 months to comply with the registration requirements.
- **Penalty-** If the PoS is found to be involved in any illegal activity, the agreement would be terminated with the entity being blacklisted for *3 years*. It would also draw a penalty of *Rs 10 lakh.*
- **Safety-** It will minimise instances where dealers have by fraudulent practices issued SIM cards to "anti-social/anti-national elements".
- The DoT holds that these provisions would help in identifying, blacklisting and eliminating rogue PoS, from the licensees' system and provide and encouragement to the upright PoS.

What lies ahead?

- **Last mile enforcement**- The smaller local stores too would be giving out the SIM cards.
- It is essential to determine if they possess adequate infrastructure to carry out the

entire process and have the necessary safeguards while dealing with such sensitive data.

- **Greater clarity-** There is a need to have great clarity about the agent's requirements for acquiring, processing and retention of such data.
- It is essential to strike a balance by "only acquiring the data that is strictly necessary and for the purpose it is being acquired for".

References

1. The Hindu- Latest revisions to the process of acquiring SIM cards
2. Sanchar Saathi- About the portal
3. PIB- About Sanchar Saathi

