

Massive encouragement for 'Other Service Provider' Industry in BPO and ITeS Sectors (06.11.2020)

Liberalized Guidelines issued by Government of India

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 diagram, penal provisions etc. have also been removed. Similarly, several other requirements, which prevented 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. India's IT Industry is a source of pride for the country and the new guidelines are aimed at removing unnecessary bureaucratic restrictions to allow the industry to focus on innovative new products and solutions. With this reform, the Government of India sends out a strong signal of its support to the IT industry with a view to encouraging increased investment in the Sector. 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'.

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