



By Hand Delivery/Courier/Email

19th August, 2019

To,
The Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg
(Old Minto Road)
New Delhi—110002

Kind Attention: Shri Arvind Kumar - Advisor (B& CS)

Ref: Consultation Paper dated 19th July, 2019 on KYC of DTH Set Top Boxes.

Sub: Comments from Sony Pictures Networks India Private Limited (“SPNI”/ “We” / “Our”) on the issues raised in the said Consultation Paper.

Dear Sir,

This has reference to the Consultation Paper dated 19th July, 2019 on KYC of DTH Set Top Boxes (“Consultation Paper”) rolled out by TRAI seeking comments from the stakeholders on the issues raised therein.

Please find enclosed our comments on specific issues raised by TRAI in the said Consultation Paper. We request your good self to kindly take the same into consideration.

Thanking you,

Yours faithfully,

For Sony Pictures Networks India Private Limited

Gururaja Rao
Legal Counsel

Encl: Comments from SPNI

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Go-Beyond 

Sony Pictures Networks India Private Limited's (SPNI) response on the issues for consultation raised by Telecom Regulatory Authority of India ("TRAI") in its Consultation Paper on 'KYC of DTH Set Top Boxes' dated 19-July-2019 ("Consultation Paper")

At the outset, we thank TRAI for taking this initiative and rolling out this Consultation Paper and providing opportunities to stakeholders for giving their view points on the issues raised therein. As you are aware that there has been an exponential growth in the active subscriber base of DTH platforms and hence it has become imperative that a robust KYC or e-KYC procedure gets established with respect to the DTH subscribers as a solid step to diminish the chances of piracy and loss of revenue to the concerned stakeholder/s.

The transmission of the content of a channel by a broadcaster to the end consumers involves the content creator, broadcaster and the distributor (the various distribution platform operators and the Local Cable Operator (LCOs)), all of which stakeholders have respective requirements to enable access at the subscriber's choice. With the complete digitisation of the cable and satellite broadcast industry and TRAI introducing the new MRP Regime effective 1st February, 2019, the accessibility and/or disclosure of accurate subscriber numbers has become critical and so is the capability to identify the subscriber and the subscriber base. This also includes securing transmission of the content of the channels. Hence, it is imperative that the issues addressed in the Consultation Paper and recommendations should not be confined only to DTH Set Top Boxes but also equally extend to Set Top Boxes of other DPOs. In this era of internet access, simple e-KYC or OTP based verification is not a difficult or costly affair, thus KYC stipulations for STBs ought to be introduced on a similar lines as proposed for the DTH Set Top Boxes on an urgent basis. .



In view of the foregoing, we submit our responses to the issues raised by TRAI in the consultation paper and urge TRAI to take the same into consideration:

1. Is there a need for KYC or e-KYC of DTH Set Top Boxes to address the concern raised by MIB in their letter mentioned in paragraph 1.5 of this consultation paper? Give your answer with justification.

(a) Though TRAI has referred to letters dated 27-December-2018 and 26-Mar-2019 received from Ministry of Information & Broadcasting's ("MIB"), the copies of the same has not been annexed with the Consultation Paper. As such, our response is based on our understanding of concerns gathered by us in the context of the issues raised in the Consultation Paper. In this regard, it is humbly submitted that there is urgent and impending need for introduction and proper enforcement of meaningful KYC or e-KYC stipulations of DTH STBs. This is necessary to inter-alia curb smuggling of DTH STBs outside of India and to bring in some level of threshold checks to counter the menace of rampant piracy, which is being undertaken by unscrupulous individuals for their ulterior motive and malafide intent to gain wrongfully and cause loss to the content creator and broadcasters.

(b) We presume that all the DTH players in India have their subscriber's complete data base (through CAF), which is taken from everyone during the installation. All the information like address and Mobile numbers are also got registered in that data base as these details are being collected before the activation of signals. Even today with the NTO, one can activate/ de-activate, change the packages through net using one's mobile authentication only (with OTP). So, locating the STB is not an issue with the DPO (DTH) provided they have their systems in place.



- (c) It is to be noted that mere filling up of CAFs or e-CAFs by customers is not good enough in tackling piracy as there is no mechanism to ascertain veracity of information so provided. Unscrupulous operators / persons deliberately resort to filling incomplete and incorrect information in CAFs or e-CAFs, which results in feeding of incorrect data in SMS s and enables such persons to use DTH STBs so obtained for illegal reception of channels outside India and/or illegal retransmission of signals. A stringent KYC or e-KYC mechanism will *inter-alia* help in identifying pirates thereby reducing any misuse.
- (d) It is true that there are many STBs being smuggled into Bangladesh and other countries where our channels' s footprints are available. The operators in such countries demodulate the signals and retransmit the same to their population. This hurts not only DPOs but also to the Broadcasters/content owners. It makes a dent in broadcaster's syndication business.
- (e) While enforcement of meaningful KYC or e-KYC stipulations of DTH STBs is essential, it is to be noted that during the KYC process the potential pirate may also manage to provide the requisite documents/ mobile numbers to the DPO for acquiring the DTH STBs. However he would take the said STBs abroad and continue with his piracy. DTH platforms in India are permitted to have subscribers only within the territory of India however, numerous unauthorised STBs of Indian DTH operators are reported to be active and functioning beyond the Indian territory due to the satellite footprints overspill. To curb this type of smuggling of STBs, DPO needs to have geo-fencing in their system/STBs. Geo-fencing will stop any illegal transfer of STBs into the foreign countries. All these steps would help in ensuring that DTH STBs are installed and used at such premises / locations as have been specified by the

subscriber at the time of installation of DTH STBs by authorized engineers / technicians of the concerned DTH operator.

- (f) In case DTH STBs are found to be in use at a location other than the one specified at the time of installation, then KYC or e-KYC will enable the applicable DTH platform operator to directly approach the concerned consumer to investigate why and how such DTH STB was shifted / moved to the unauthorized premises / location. This will also quicken the process of nabbing the perpetrator in case of misuse of DTH STBs.
- (g) As has been rightly pointed out in the Consultation Paper, the identification of a customer through KYC or e-KYC process is vital with a view to protect the customer interests by preventing fraudsters who may use the name, address and forge signature to undertake benami/illegal business activities. Identification of customers also helps to control / check financial frauds, money laundering and suspicious activities, and for scrutiny/monitoring of illegal transactions.
- (h) It is pertinent to note that at times, certain non-DTH operators within India may also resort to using DTH STBs to illegally retransmit pay channels on their network when a broadcaster discontinues its pay channels to the said operator due to non-payment of dues. In such an event, the defaulting DPO, instead of clearing its outstanding amounts resorts to procuring multiple DTH STBs and uses them to illegally retransmit the signals of those channels that have been deactivated. Adopting and implementing an effective and robust KYC or e-KYC mechanism will go a long way in curbing such illegal activities too.



2. If your answer to Q1 is in the affirmative, then what process is to be followed?

- (a) We agree with the safeguard mechanisms suggested by MIB, as is mentioned in para 1.5 and 1.6 of Chapter I of the Consultation Paper.
- (b) The process of identifying and verifying customers should be mandated for all DPOs and not confined only to DTH operators.
- (c) The process of registration, identification and verification through CAF, should take place by physically visiting installation address coupled with mandatorily obtaining authenticated documents related to Proof of Address and Proof of Identity (Passport, Voter ID Card, Driving Licence, Telephone Bill / Electric Bill (not older than 3 months) any other document notified by the Central Government). Activation should be initiated only after completion of all documentation.
- (d) Proof of Address and Proof of Identity (through documents as identified above) of the retailer/ Seller/ Service franchisee (Installation Agency) should be made mandatory to be attached with CAF.
- (e) TRAI can also evaluate having multiple OTPs one at the subscriber level and the other at the technical person of the respective DPOs who comes to install the STP. The STB should be activated with combination of these OTPs to make the process more robust.



- (f) As stated above, Geo-fencing facility should be introduced to curb piracy taking place abroad.

3. Whether one-time KYC is enough at the time of installation or verification is required to be done on periodic basis to ensure its actual location? If yes, what should be the periodicity of such verification?

We believe that one time KYC or e-KYC done during the initial installation is enough. However the respective DPOs should have Physical verification of all boxes carried out on a regular basis, which can be done in phases. This would ensure that the STBs are not moved from the installed location. However, if during the physical verification, the STB is not found in a given address, immediate disconnection of signals to the said STBs to be done and stringent legal action to be initiated against the concerned subscriber in whose name the said STB has been initially installed.

4. Whether KYC of the existing DTH STBs is also required to be done along with the new DTH STBs? If yes, how much time should be given for verifying the existing STBs for DTH?

We believe that stringent KYC or e-KYC of the existing DTH STBs should also be required to be done for the reasons enumerated in the foregoing paras followed by physical verifications of the STBs at regular intervals. This can be done in a phased manner spread over 6 months to 1 years time period.

5. Whether the location-based services (LBS) needs to be incorporated in the DTH set top boxes to track its location? Will there be any cost implication? Give your response with supporting data and justification.

- (a) With the growing penetration of STBs, both – DTH and other DPOs, the security of the broadcasters' content becomes very critical along with helping the concerned DPOs to minimize their own revenue loss. You would appreciate that Pirates sell broadcaster's content that are gained through illegal procurement of DTH STBs at a very nominal cost, thus impacting both DTH operators' and broadcasters' revenues. Hence we strongly believe that there should be incorporation of location based services (LBS) in the STBs not only of DTH Operators but also of other distribution platform operators to track location and facilitate verification. This would restrict the amount of smuggling of the STBs outside India and would be very helpful in curbing piracy. However there would be a cost element involved but we believe that the benefits that would be derived from this would far exceed the cost involved.
- (b) Needless to add that the cost involved has to be necessarily borne by the concerned DPOs since it is their duty to ensure that the content of the broadcasters is secured and to be used strictly in accordance with the terms of agreement executed between them and for the said purpose their equipment should not be capable of being misused.

6. Any other issue relevant to KYC of DTH Set Top Boxes?

None.

