

**Information note to the Press (Press Release No. 35 /2013)**

**Telecom Regulatory Authority of India**

**TRAI prescribes SMS Termination Charge and Transactional SMS Charge**

**New Delhi, 24<sup>th</sup> May, 2013-** The Telecom Regulatory Authority of India (TRAI) has today released: (i) 'The Short Message Services (SMS) Termination Charges Regulations, 2013' which prescribes cost based SMS Termination Charge as 2 paise per SMS; (ii) Amendment to the Telecom Commercial Communications Customer Preference Regulations, 2010 which prescribes a transactional SMS charge of 5 paise per transactional SMS . These regulations will be applicable from 1<sup>st</sup> June 2013.

2. SMS termination charges are the charges, which are payable by originating Access Provider to the terminating Access Provider for each SMS, terminated by it on the network of Terminating Access Provider.

3. As per the prevailing IUC regulations, SMS termination charges are under forbearance. The Authority noted that though the policy of forbearance on SMS termination charge has worked satisfactorily in the past when the use of SMS by the subscriber was limited. In the changed circumstances especially due to exponential increase in the number of commercial SMSs, large imbalance in SMS traffic between the networks of interconnecting service providers, unilateral imposition of SMS termination charge and in case of non agreement, disconnection by some dominant service providers and growing litigations amongst the service providers, the Authority reviewed the policy of forbearance in SMS termination charges and prescribed cost based SMS termination charge.

4. The issue of IUC for SMS was raised by TRAI in its consultation paper dated 27.04.2011 wherein stakeholders submitted their comments and counter comments. In continuation to its consultation paper, the Authority vide its letter dated 13.12.2012, again also asked all the service providers regarding the international practices with regard to SMS termination charge, network element used for providing SMS termination, cost data and costing methodology for estimating SMS termination charge. Many of the service providers have reiterated their stand of Bill and Keep for SMS termination charge as they have submitted in their comments on the consultation paper

