TRAI releases “The Telecommunication Interconnection (Third Amendment) Regulations, 2026”

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The Telecom Regulatory Authority of India (TRAI) today released **“The Telecommunication Interconnection (Third Amendment) Regulations, 2026”**. These regulations will take effect from 1st January, 2027.

Interconnection in telecommunications refers to the technical, operational, and commercial arrangements that connect two or more telecom networks, allowing telecommunications traffic to flow between them and enabling users of different service providers to communicate seamlessly. Section 11(1)(b) of the TRAI Act, 1997, *inter alia*, empowers TRAI to prescribe the terms and conditions of interconnection between service providers, and ensure technical compatibility and effective interconnection between different service providers.

To ensure that the existing regulatory framework governing interconnection matters remains relevant, transparent, and conducive to efficient interconnection between service providers, TRAI initiated the review of the regulatory framework through a Pre-Consultation Paper on the “Review of the existing TRAI Regulations on Interconnection matters”, dated 03.04.2025. Through this Pre-Consultation Paper, stakeholders’ comments were sought, *inter alia*, to review the Telecommunication Interconnection Regulations, 2018.

Subsequently, a Consultation Paper on the “Review of the existing TRAI Regulations on Interconnection matters”, providing the background information and taking into account the stakeholders’ comments received during the pre-consultation process, was issued on 10.11.2025. Through the Consultation Paper, stakeholders’ comments were sought, *inter alia*, to review the Telecommunication Interconnection Regulations, 2018. After extension, the last dates for furnishing written comments and counter-comments were 15.12.2025 and 29.12.2025, respectively.

In response to the issues raised in the Consultation Paper, seventeen stakeholders submitted their comments, while nine stakeholders submitted counter-comments. As part of the consultation process, an Open House Discussion (OHD) on the Consultation Paper was held on 28.01.2026. Based on the comments received from stakeholders during the consultation process, and their analysis, TRAI has finalised the Telecommunication Interconnection (Third Amendment) Regulations, 2026.

The salient points of the amendment regulations are given below:

1. Interconnection at LSA/ Service Area level: The amendment enables interconnection providers and seekers to mutually agree on locations for handing over or taking over telecommunication traffic. It modernises the existing interconnection regulatory framework to align with contemporary network architectures and facilitate a transition from the existing interconnection at Long Distance Charging Area (LDCA) and Short Distance Charging Area (SDCA) level to the Licensed Service Area (LSA) level of interconnection. The shifting of traffic to LSA-level POIs would simplify routing and support more efficient management of scarce numbering resources, and would also result in benefits such as lower latency, and enhanced service reliability.
2. Migration of existing traffic at the SDCA/ LDCA-level POIs: Existing traffic, in terms of Minutes of Usage (MoUs), at the LDCA/SDCA-level points of interconnection (POIs) shall be migrated to LSA-level POIs within three years, in a phased manner. Thereafter, all traffic shall be handed over or taken over at the LSA or Service Area level POIs.
3. Migration to IP-based interconnection: The amendment regulations provide for establishment of IP-based interconnection by service providers. All new interconnections established after these regulations come into force shall be IP-based interconnections. All existing POIs working on E1/ TDM-based interconnection shall be migrated to IP-based interconnection within a period of three years, in a phased manner. The migration to IP-based interconnection improves bandwidth efficiency, call quality and end-to-end call performance.
4. Capacity augmentation framework for IP-based interconnection: For IP-based interconnection, maximum call-handling capacity at a POI shall be determined having regard to the concurrent session-handling capability and link bandwidth, while maintaining the desired Quality of Service in accordance with the TRAI's relevant Regulations.
5. Procedure for surrender of POIs: A specific regulatory framework has been introduced for surrender of POIs. Earlier, the regulations had only the provision of "disconnection" of a POI, which is for stoppage of exchange of traffic at the POI. This is a step taken by a service provider for reasons attributable to the other service provider, in exceptional circumstances arising out of differences between them. On the other hand, the process for surrender is intended for voluntary surrender of a POI by a service provider for its own operational requirements, such as on account of reduction in traffic, withdrawal of services from an area or re-routing of traffic, thereby improving financial efficiency.
6. Rationalisation of bank guarantee provisions: The existing bank guarantee framework has been retained; however, the validity of bank guarantees furnished on reassessment, and the interval for such reassessment, have been extended from six months to twelve months. A revised methodology has also been introduced for determining the ceiling on bank guarantees for POIs, including IP-based interconnection.
7. Interest on delayed payment of interconnection-related charges: A specific provision has been introduced to address delayed payment of interconnection charges or interconnection usage charges. The rate of interest shall be mutually agreed between service providers, subject to a ceiling of the State Bank of India's one-year Marginal Cost of Funds-based Lending Rate (MCLR) plus two percent.
8. Reporting requirements: The amendment regulations prescribe reporting requirements for monitoring the shifting of traffic from LDCA/SDCA-level POIs to LSA-level POIs, and

migration from E1/TDM-based to IP-based interconnection.

9. Graded framework for financial disincentives: For effective implementation of the regulations, a graded financial disincentive framework has been prescribed for contravention of provisions of these regulations. This revision makes the enforcement of regulatory framework more effective, proportionate and commensurate with the nature and seriousness of the contraventions covered under these Regulations.

The provisions for interest on delayed payment, reporting requirements and financial disincentives will enable effective enforcement of the regulations. The amendment regulations align the regulatory provisions with technological advancements and sectoral developments. They are expected to strengthen the interconnection framework and facilitate seamless communication across telecom networks. The regulatory framework aims to provide greater regulatory certainty to service providers while upholding the principles of effective interconnection, transparency, non-discrimination and fair competition.

The full text of “The Telecommunication Interconnection (Third Amendment) Regulations, 2026”, along with the Explanatory Memorandum, is available on TRAI’s website www.trai.gov.in.

For any clarification/ information, Shri Sameer Gupta, Advisor (Networks, Spectrum & Licensing-I), TRAI may be contacted at email ID: adv-nsl1@trai.gov.in or telephone number +91-11-20907752.

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