

# Digital firms flag jurisdiction, cost concerns over draft mobile validation rules

The draft mobile number validation framework put out in June by the Department of Telecommunications has tech firms worried about the DoT's potential regulatory expansion and costs the rules would impose on them

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The draft leaves open the possibility for the framework to later be expanded to cover certain sectors to validate customers' phone numbers mandatorily. | Photo Credit: ARUN SANKAR

Online firms are worried about the financial consequences of a draft telecom rule that sets up a framework to validate mobile numbers' lawful owners. The draft Telecommunications (Telecom Cyber Security) Amendment Rules, 2025, would allow telecom operators to collect up to ₹3 per validation request from private entities, and in return confirm the name of a phone number's legal subscriber.

The Internet and Mobile Association of India, which represents firms like Google, Apple and Amazon, expressed its concerns to the Department of Telecommunications (DoT) in a filing provided to *The Hindu*. “The Draft Amendments introduce a new class of regulated entities, “telecommunication identifier user entity” (“TIUE”) and defines them as any person or entity, other than a licensee or authorised entity, that uses telecom identifiers for user identification or service delivery,” IMAI said in its submission. “This definition is unqualified and will cover nearly all digital platforms or services that use mobile numbers.”

Bringing to tech firms’ doorstep “rules to platforms that neither provide telecom services nor operate telecom infrastructure is not only a clear overreach of the delegated legislative power under the [2023 Telecommunications] Act, but will also have broad implications for digital businesses across fintech, e-commerce, mobility, social media, and essentially any service that relies on telecom identifiers,” IMAI said.

## Costs flagged

In June, a senior DoT official indicated to *The Hindu* that the service may remain optional for private firms. However, the draft leaves open the possibility for the framework to later be expanded to cover certain sectors to mandatorily validate customers’ phone numbers. At a discussion held by the tech policy portal *MediaNama* on Thursday, legal experts questioned the DoT’s competence to issue such rules to entities that were not telecom operators.

“While the individual per-request fee (₹3) may appear small in isolation, cumulated over millions of customers would result in significant costs running into several millions every year,” IMAI said. “The verification fee may necessitate a re-evaluation of existing business models, potentially leading to increased service costs for end-users or reduced profit margins for businesses, particularly impacting startups and Micro, Small, and Medium Enterprises (MSMEs) where such costs are disproportionately felt.”

CUTS International, a think tank and advocacy group, said, “The government should rather focus on strengthening the ongoing initiatives aimed at addressing the issue of telecom cybersecurity and avoid inconsistent approaches,” in a regulatory assessment of the draft rules. “The net impact (benefits minus costs) of the Draft Amendment Rules on key stakeholders such as businesses, consumers and digital markets, is likely to be significantly negative,” CUTS wrote.

