



# CONSULTATION PAPER

ON

Review of Mobile Virtual Network  
Operator(MVNO) Framework

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## 1 **Introduction**

Mobile Virtual Network Operator (MVNO) is an operator that does not own spectrum but have business arrangements with conventional Mobile Network Operators (MNOs), who buy minutes of use (MoU) from the MNOs for sale to its own customers.

The MVNO business started in year 1999 and now there are over 100 around the Glob. Since limited spectrum is available for MNOs, there can only be a small number of operators (MNOs) in each region/country. However, anyone else wanting to enter the market may purchase capacity from MNO for reselling and become an MVNO.

The Authority, keeping in view clause 6.12 of cellular mobile policy 2004, issued MVNO Framework on March 20, 2006 for implementation be mobile operators. The MVNO Framework was prepared in consultation with all cellular mobile operators and the Ministry of Information Technology. The MVNO Framework was framed such that it does not disturb the market that was highly competitive and where the operators were lacking network capacity. Now, keeping in view the changed scenario and clause 2.10 of the framework, the same is under review.

## 2. **WORLD PRACTICE ON MVNO**

As wireless services expand their worldwide stronghold, these wireless service providers operating in developed economies like Japan, South Korea, and Western India which have reached or are very close to cent percent mobile penetration are already seeing decline in revenue growth. As the profitability is under tremendous pressure due to demand saturation, and increasing competition service providers are diversifying into wireless data and other innovative differentiator services. One such innovation has been the emergence of Mobile virtual network operators (MVNO). One of the best examples of this is Virgin Mobile UK not only because it was first but also one of the leanest and successful MVNO with having just the brand name and different customer care number. MVNO was successful with just innovative pricing, value added services and different customer care provisions and by this they managed to come first twice and its host operator worst despite its product and Network. Now, there are over 100 operational MVNO