November 2, 2026

TRAI

TRAI sets three-year move to IP interconnection from 2027

From January 1, 2027, new links between telecom networks must be IP-based, and operators get three years to move E1/TDM links and close SDCA and LDCA POIs.

THE TELECOM REGULATORY Authority of India (TRAI) issued the Telecommunication Interconnection (Third Amendment) Regulations, 2026 (8 of 2026), notification No. RG-1/(1)/2025-NSL-I, dated November 2, 2026. They appear in the Gazette of India, Extraordinary, Part III, Section 4, No. 651, dated November 3, 2026 (CG-DL-E-12112026-277840). TRAI made them under section 36, read with sub-clauses (ii), (iii) and (iv) of section 11(1)(b), of the Telecom Regulatory Authority of India Act, 1997. They amend the Telecommunication Interconnection Regulations, 2018 (1 of 2018) and come into force on January 1, 2027. They are signed by Pushpendra Kumar Singh, Secy. (Incharge).

KEY FACTS

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Telecommunication Interconnection (Third Amendment) Regulations, 2026 (8 of 2026), No. RG-1/(1)/2025-NSL-I

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Operators may interconnect at any location they agree on. If they can't agree, the point of interconnection (POI) for calls between PSTN, PLMN and NLD networks is at the Licensed Service Area (LSA) or Service Area level, with one more location inside the LSA allowed by agreement. Existing POIs at the LDCA or SDCA level must close within three years from January 1, 2027. After those three years, no infrastructure charges or port charges are payable for SDCA or LDCA level POIs.

New regulation 9B requires IP-based interconnection for every interconnection set up on or after January 1, 2027. All POIs working on E1/TDM-based interconnection must move to IP within three years, on the same milestones as the POI closures (see the table). Each milestone compares the average monthly minutes of usage (MoUs) in the three complete calendar months before it with the same average in the three complete calendar months before January 1, 2027. A port is now defined as either an E1 port with a bandwidth of 2.048 Mbps or an IP port with bandwidth expressed in Mbps or Gbps. Regulation 7 now refers to the "capacity of IP ports" instead of the "number of ports", and new Schedule III sets out how IP ports are augmented: where projected outgoing traffic 60 days after a request is estimated to reach or exceed 85% of the session handling or bandwidth capacity, the operator may ask for augmentation to bring use below 75%.

Several other rules change. Two operators must, by mutual agreement, sign the interconnection agreement within the period in regulation 3. The bank guarantee period in regulation 5(2) rises from six months to twelve months, and new Schedule I caps the guarantee at Rs 8,00,000 multiplied by the interconnection usage charge per minute, multiplied by the capacity in Mbps and divided by 2.048. Interest on late interconnection charges is agreed between operators but can't be more than 2% above State Bank of India's one-year MCLR. An operator may surrender a POI only twelve months after it was commissioned, with ninety days' notice and reasons.

Operators must jointly send TRAI LSA-wise and POI-wise plans for the POI closures and the IP migration within three months from January 1, 2027, then monthly progress reports within fifteen days of each month's end, compliance reports within thirty days of each milestone, and details of each new interconnection within thirty days. Breaking the reporting rule in regulation 11B carries a financial disincentive of up to Rs 50,000 a day for the first fifteen days and up to Rs 1

lakh a day after that, capped at Rs 25 lakh per Service Area for each instance. Breaking regulations 3, 4(2), 9, 9A, 9B, 11 or 11A carries up to Rs 1 lakh a day, then up to Rs 2 lakh a day, capped at Rs 1 crore. A disincentive not paid within twenty-one days of the order, or the period it sets, carries simple interest at 2% above the one-year MCLR. TRAI's explanatory memorandum says it consulted through a pre-consultation paper of April 3, 2025, a consultation paper of November 10, 2025 and an open house discussion on January 28, 2026.

Issued by	Telecom Regulatory Authority of India
Document	Telecommunication Interconnection (Third Amendment) Regulations, 2026 (8 of 2026), No. RG-1/(1)/2025-NSL-I
Dated	November 2, 2026
Published	Gazette of India, Extraordinary, Part III, Section 4, No. 651, November 3, 2026 (CG-DL-E-12112026-277840)
Amends	Telecommunication Interconnection Regulations, 2018 (1 of 2018)
Takes effect	January 1, 2027
New interconnections	IP-based, for all set up on or after January 1, 2027
E1/TDM links	Moved to IP-based interconnection within three years from January 1, 2027
SDCA and LDCA level POIs	Closed within three years from January 1, 2027; traffic handed over at LSA or Service Area level
Port	An E1 port (2.048 Mbps) or an IP port (bandwidth in Mbps or Gbps)
Bank guarantee period	Twelve months instead of six
Interest on late interconnection charges	Not more than 2% above SBI one-year MCLR
Surrender of a POI	Ninety days' notice, and only twelve months after commissioning
Plans due	Within three months from January 1, 2027, jointly by the two operators
Financial disincentives	Up to Rs 25 lakh (reporting) or Rs 1 crore (other listed rules) per Service Area for each instance
Legal basis	Section 36, read with sub-clauses (ii), (iii) and (iv) of section 11(1)(b), Telecom Regulatory Authority of India Act, 1997
Signed by	Pushpendra Kumar Singh, Secy. (Incharge)

Milestones in regulations 9A and 9B

By the end of	Average monthly MoUs through LDCA or SDCA level POIs	Average monthly MoUs through E1/TDM-based interconnections
The first year from January 1, 2027	Not more than 80% of the baseline	Not more than 80% of the baseline
The second year from January 1, 2027	Not more than 45% of the baseline	Not more than 45% of the baseline
The third year from January 1, 2027	All closed; no MoUs; all traffic at LSA or Service Area level	All moved to IP; no MoUs; all traffic through IP-based interconnection

The notification (regulations) (PDF, 1.3 MB)

Source: Gazette of India, CG-DL-E-12112026-277840.

Checked against the official copy on November 12, 2026.

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Read online: indusdesk.com/trai/insights/trai-sets-three-year-move-to-ip-interconnection-from-2027/