

Information Note to the Press (Press Release No.110/2016)

For Immediate Release

Telecom Regulatory Authority of India

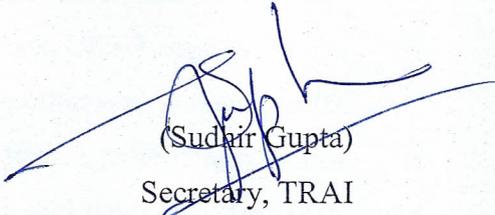
To facilitate mobile banking for financial inclusion, TRAI amend the ceiling tariff for use of USSD for USSD-based mobile banking service and increase the number of stages of USSD to provide mobile banking and payment services.

New Delhi, the 22nd November, 2016: Telecom Regulatory Authority of India (TRAI) has today notified the Telecommunication Tariff (Sixty First Amendment) Order, 2016 thereby reducing the present ceiling tariff for the use of USSD for USSD-based mobile banking and payment services from Rs 1.50 to Rs.0.50. TRAI has also amended the Mobile Banking (Quality of Service) Regulations to increase the number of stages from 5 to 8 per USSD session. These regulatory decisions are an outcome of the detailed consultation process that was initiated on 02 August 2016. Together, these amendments will facilitate the banks, their agents or any entity authorized by the Reserve Bank of India for better delivery of banking and payment services to the consumers through mobile phones over USSD.

2.The availability of and easy access to banking services for all our citizens is a major objective of public policy. However, the harsh reality is that a large section of our population is still unbanked/ under-banked. With a significant penetration of mobile telephony in rural India, the mobile phone can be leveraged to achieve the goal of financial inclusion. Accordingly, in November, 2013, with a view to facilitate mobile banking for financial inclusion, TRAI had established a framework to facilitate the agents of the banks to interface with the access service providers for use of SMS, USSD and IVR channels to provide mobile banking services and prescribed ceiling tariff of Rs. 1.50 per USSD session for USSD-based mobile banking service. However, all these initiatives did not lead to the desired result and both the number of transactions and success rate are below expectation. Apart from tariff, there are a number of other steps also that need to be taken, which inter-alia, include relooking at the architecture of the USSD framework by NPCI for improving the software design elements; increasing consumer

awareness about this service through a time-bound, targeted communication strategy; putting in place a mechanism of linking bank accounts with mobile phones through a simplified process.

3. The Telecommunication Tariff (Sixty First Amendment) Order and Mobile Banking (Quality of Service) (Amendment) Regulations, 2016 come into force with immediate effect. The Authority is of the view that these Amendments will be instrumental for achieving greater financial inclusion in the country and contribute to the fulfillment of an important aspect of 'Digital India' by encouraging 'less cash' society. The Authority will continue to keep a watch on the progress of the service and take necessary steps from time to time.



(Sudair Gupta)
Secretary, TRAI