

From: Chhavi Mehendiratta
Sent: 16 August 2016 13:00

Subject: *99# - Consultation Paper of TRAI on the review of regulatory framework for the use of USSD for Mobile Financial Services
Importance: High

Dear Sir/Madam,

As you are aware *99# (USSD based Mobile Banking service of NPCI) have few challenges like:

1. High transaction cost- levied by Telecom Service Provider- for customers (INR 1.5 per transaction) .
2. Limit restriction on number of sessions (currently 5 steps) . This is a problem especially in case of send money , where user has to enter multiple entries and currently can't check or edit any of these entries.
3. Absence of basic merchant service like Bill Payment/Mobile/TV recharge.

To address these challenges, TRAI has released consultation paper on use of USSD for Mobile Financial Services. You can find the consultation paper and feedback section here: http://www.traigov.in/Content/ConDis/20784_0.aspx

The consultation paper seeks feedback from ecosystem partners on 10 issues related to the *99# service . The answer / feedback to these issues can be directly send to the TRAI through mail at advfea1@traigov.in

Following are the 10 issues as listed in the consultation paper :

Q1: In your opinion, what should be the maximum number of stages per USSD session for mobile banking service:

- (i) Five
- (ii) Eight
- (iii) Unlimited
- (iv) Any other (please specify)

(Please provide justification in support of your response).

Q2: Which of the following methods is appropriate for prescribing the tariff for USSD based mobile banking?

- (i) Cost-based tariff for outgoing USSD session for mobile banking; or
- (ii) Monthly (or periodic) subscription fee for the use of USSD for mobile banking services; or
- (iii) Any other method

Q3: What methodology should be used for estimating the cost per USSD session for mobile banking service?

Q4: If your response to the Q2 is 'Any other Method', please provide full details of the method.

Q5: Whether it would be appropriate to mandate the service providers to levy charges for USSD session for mobile banking only if the customer is able to complete his/her transaction? If yes, please describe the method to implement such an arrangement technically?

Q6: Whether the present pricing model for USSD-based mobile banking in which consumers pay for the use of USSD should continue?

Q7: In case your response to the Q6 is in the negative, what should be alternative pricing models? Please provide justification in support of your response.

Q8: Keeping in view the concerns raised by the TSPs, whether there is a need for allowing USSD push sessions when customer-initiated USSD session is dropped due to some reason so that the customer can complete his/her unfinished transaction? Please support your response with justifications.

Q9: Whether it would be appropriate to allow all variety of mobile payment services apart from the mobile banking services on the existing USSD Aggregation platform(s)? Please support your response with justification.

Q10: Is there any other relevant issue which should be considered in the present consultation on the review of regulatory framework for the use of USSD for mobile financial services?

Reduction in transaction charges and introduction of new services such as merchant payment, have always been the demand from the banks and with this consultation paper, the ecosystem partners now have the opportunity to put forward their points of views. We seek your support in responding to the issues as raised by the TRAI.

Please contact us for any other queries.

Regards,

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