From: **Arnab Kumar Biswas** <Arnab.Biswas@mpowersoft.com>
Date: Aug 29, 2016 6:24:18 PM
Subject: Consultation Paper of Telecom Regulatory Authority of India (TRAI) on the review of regulatory framework for the use of USSD for Mobile
To: "advfea1@trai.gov.in"

The Advisor (T&EA),
TRAI

Dear Sir,

Apropos your **Consultation Paper on the review of regulatory framework for the use of USSD for mobile financial services** dated the 2ndAugust, 2016, we hereby submit our comments for your kind perusal.

Issues for Consultation

It may please be noted that answers/ comments to the issues given below should be supported with justification. The stakeholders may also comment on any other issues related to the review of regulatory framework for the use of Unstructured Supplementary Service Data (USSD) for mobile financial services along with all necessary details.

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). <Eight should do it, as any more number of steps would be difficult for the user anyway. There is a compelling case for more than five steps, while unlimited number of steps appear unreasonable on the TSPs and would lead to misuse.>

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? <Both USSD and SMS use signalling channel in GSM and not voice/data channels. While SMS can be local or long distance, USSD on the other hand is only connecting to local Telecom Service provider. In this way, tariff of USSD should be that of one local SMS per USSD session, i.e. maximum 50 paise per USSD session. Secondly for frequent users, as is the case with sms, there should be volume pack of USSD made available e.g. 100 USSD session per month at price in the same range as 100 local sms pack per month.>

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? <No, because the TSP should not be penalised for an incomplete USSD session, as that may be for reasons outside the control of the TSP e.g. an incoming call or SMS during the session, or complicated mobile banking menu. However, this should be counterbalanced by the facility of push USSD message being opened up to the banking/ other service providers.>

Q6: Whether the present pricing model for USSD-based mobile banking in which consumers pay for the use of USSD should continue? <Yes, because the same end-user pays model applies to SMS or Mobile data (for apps) based banking as well, and is well understood by the end user.>

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. <The push option must be made available for unsuccessful/ disconnected sessions

to be seamlessly reinitiated, which would definitely be customer-friendly. As pointed out in #5 above, this would counterbalance the present charging model where the end customer pays irrespective of the success of the session. Secondly for all kinds of OTPs, USSD Push is the best method for quick and reliable delivery of OTP for all kinds of phones.>

6 Q9: Whether it would be appropriate to allow all variety of mobile payment services apart from the mobile baking services on the existing USSD Aggregation platform(s)?Please support your response with justification.
<Yes, all payment transactions and payment modes, such as recharge, bill payments, P2P money transfers should be allowed, and not just be available for banking transactions, but also for PPI wallets, Payments Banks etc. The benefits would be:
a.   Recharges, bill payments and travel booking are the most popular payments by category and this would no doubt enhance the adoption of the USSD service.
b.   Allowing the PPIs and Payments banks would strengthen the Government's efforts for "Promotion of Payments through Cards and Digital Means".
c.   It would also allow many of the TSPs, who have a stake in the game as PPI/ Payments Banks, to obtain the benefits of the USSD service across all TSPs' subscribers, and that would reduce their objection to the proposal.
d.   As the TSPs have confirmed that they would be happy to consider reducing the cost per USSD session once the volume exceeds 10 Mn/ month, this approach would clearly help push up volumes and result in reduction of the transaction costs.>
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? <NUUP should be made available for all members of IMPS be it banks or non-banks, as non-banks are responsible for resounding success of IMPS.>
Our responses are also attached in a separate document herewith.
Best wishes,

Arnab K. Biswas

Chief Executive Officer