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From: **Sanjeev Dubey** <[sdubey@pnb.co.in](mailto:sdubey@pnb.co.in)>

Date: Aug 31, 2016 7:35:15 PM

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

To: "[advfea1@traf.gov.in](mailto:advfea1@traf.gov.in)"

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Dear Madam/Sir,

With reference to the NPCI circular NPCI/IMPS/OC No. 73/2016-17 dated 03.08.2016 99# - on consultation Paper of TRAI on the review of regulatory framework for the use of USSD for Mobile Financial Services, we submit the reply to the points, as under:-

Sno	Point	Reply
1	<b>In your opinion, what should be the maximum number of stages per USSD session for mobile banking service:</b> (i) Five (ii) Eight (iii) Unlimited (iv) Any other (please specify) <i>(Please provide justification in support of your response).</i>	iii) Unlimited, As this would enable addition of more functionalities in future which may require more stages.
2	<b>Which of the following methods is appropriate for prescribing the tariff for USSD based mobile banking?</b> (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	iii) It should be both
3	<b>What methodology should be used for estimating the cost per USSD session for mobile banking service</b>	Since USSD is the session based service , ideally the charges should be on the basis of the time taken for doing the transactions with minimum time available mandatarily. The charges can be benchmarked with the voice calls. Considering that if the time taken for doing transaction is upto 1 minute, customer should not be charged more than 25 to 50 Paise per transaction.
4	<b>If your response to the Q2 is 'Any other Method', please provide full details of the method.</b>	The cost based tariff should be there wherein a user should be charged per transaction . Also, TSPs should be allowed to offer subscription based

		model also, in line with the data or sms package that they offer. For e.g. TSPs can offer unlimited USSD transaction for Rs. 20. Further, if any TSP is providing some calls free in their package, the benefit of such free calls should be available for *99# dialing also.
5	<b>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?</b>	There should be 2 types of session termination events 1. where session terminates due to wrong feeding, connectivity issues at Bank's end and other 2. where session terminates due to technical/network related issues at TSP. Under first scenario, customer should be charged but in second scenario, charges should be exempted. Further, if existing charges are reduced to less than 50 paisa then charging for only successful transactions is not required
6	<b>Whether the present pricing model for USSD-based mobile banking in which consumers pay for the use of USSD should continue?</b>	Yes , this is the best option but the charges should be reduced to 25 to 50 paisa.
7	<b>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.</b>	Not Applicable
8	<b>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.</b>	Yes, allowing USSD push session will help in improving the customer convenience. However, this can be done in cases where session terminates due to technical /network related issues at TSP.
9	<b>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.</b>	Yes, *99# is launched for providing financial inclusion. Basic merchant transactions such as mobile top-up , DTH recharge , electricity payment are important services that are currently not available on *99#. Inclusion of these services will help in increasing the financial inclusion reach. Also, since USSD is not dependent of data/Internet, it is an important alternative for mobile

		<p>banking especially in scenarios where no data is available or customer does not have data plan or has only basic phone.</p> <p>Further, we have provided USSD services through Mobile app &amp; if App runs over Internet connection for E-commerce purpose, it can work as a hybrid App.</p>
10	<p><b>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?</b></p>	<p>If we apply cap of 1 minute for a session for charging lesser amount i. e. 25 or 50 paise, the TSP should flash a message after 45 seconds about the remaining time in the session with an option to continue the session informing application for charges for further sessions.</p>

*With regards,  
S K Dubey, Chief Manager*

*Digital Banking Division,  
5, Sansad Marg  
New Delhi-110001*