



To,

Advisor (F&EA),  
Telecom Regulatory Authority of India  
Mahanagar Doorsanchar Bhawan,  
Jawahar Lal Nehru Marg, New Delhi

No. Regln/1-10/2012/1691

Dated: 29-08-2016

{Kind attention: Sh. Vinod Kotwal}

Sir,

SUB: - BSNL's comments on TRAI's Consultation Paper on "The review of regulatory Framework for the use of USSD for mobile financial services"

Kindly refer to the TRAI's press release no.75/2016 and Consultation Paper on "The review of regulatory framework for the use of USSD for mobile financial services" dated 02-08-2016. In this context, BSNL's comments are as follows.

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

- (i) Five
- (ii) Eight
- (iv) Unlimited
- (iv) Any other (please specify) (Please provide justification in support of your response.)

**BSNL's Comments:** (ii) Eight, There are transactions like balance inquiry which need only three stages but some transactions like funds transfer need more than 5 stages. So keeping eight as max number seems justified.

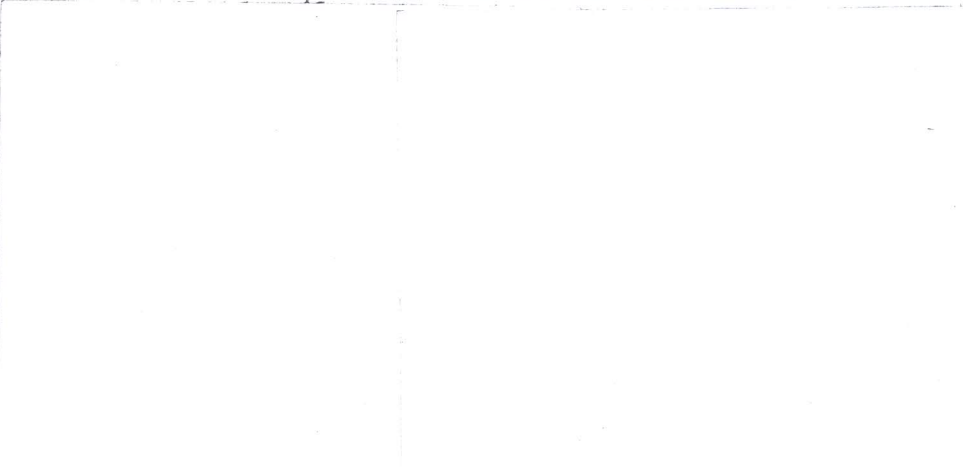
**Q2:** Which of the following methods is appropriate for prescribing the tariff for USSD-based mobile banking?

- (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

**BSNL's Comments:** (iii) Any other method, monthly subscription fees for the use of USSD+ per transaction fee.

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

**BSNL's Comments:** [USSD Gateway cost (including cost of network infra) + operational cost (including AMC of Gateway)]/ number of expected number of sessions (or subscription).



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

**BSNL's Comments:** Monthly subscription fee for the use of USSD for mobile banking services along with a small amount (say 70 paisa) per transaction so as to keep a limit on number of transactions and misuse of facility.

**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?

**BSNL's Comments:** No, USSD session may drop due to reason beyond control of TSPs e.g. a transaction may fail at NPCI Gateway or Bank's server and therefore USSD transaction may continue to be charged for all attempts.

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

**BSNL's Comments:** No, Banks should pay the charges.

**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.

**BSNL's Comments:** Banks should pay the charges for USSD transactions to TSPs as the service pertains to financial inclusion for general masses who may not be capable to pay charges.

**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.


**BSNL's Comments:** <sup>No</sup> There will be security issues involved in exposing the switching systems to the aggregation platform provider(s)/ bank(s).

**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.

**BSNL's Comments:** No, The issue of allowing other payment mechanisms is beyond the purview of the goal of financial inclusion. Any such arrangement should be done on a bilateral basis between TSPs and the aggregation at mutually agreed commercial terms.

**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?

**BSNL's Comments:** No

  
(Sukhdev Singh)  
29/8/16  
Jt. GM (RegIn-II)