



14th Sept 2016

Ms Vinod Kotwal

Advisor (F&EA)

Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg
(Old Minto Road)
New Delhi-110002

Subject: Response to Consultation Paper On the Review of Regulatory Framework for the use of USSD for Mobile Financial Services

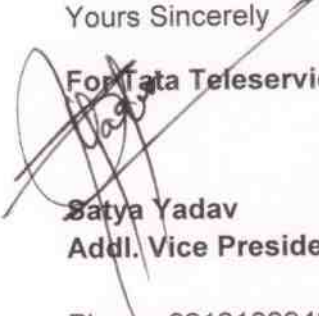
Dear Sir,

This is in reference to your Consultation Paper No. 16/2016 dated 2nd August 2016 on "**Review of Regulatory Framework for the use of USSD for Mobile Financial Services**"

As, desired we hereby enclose our response to the questions raised in your above-mentioned consultation paper. We hope our responses will be given due consideration. We shall be obliged to address any further queries from your good office in this regard.

Thanking you and assuring you of our best attention always

Yours Sincerely


For Tata Teleservices Limited

Satya Yadav
Addl. Vice President- Corporate Regulatory Affairs

Phone: 9212109948

TATA TELESERVICES LIMITED

2-A, Old Ishwar Nagar, Main Mathura Road, New Delhi 110065
Tel.: 91-11-66558666, 66558555 Fax : 91-11-66558908, 66558909 website : www.tatateleservices.com
Registered Office : 10th Floor, Tower 1, Jeevan Bharati, 124 Connaught Circus, New Delhi-110001
CIN - U74899DL1995PLC066685 E-mail : llsten@tatadocomo.com



**TTL RESPONSE ON TRAI CP ON THE REVIEW OF REGULATORY FRAMEWORK FOR THE USE
OF USSD FOR MOBILE FINANCIAL SERVICES**

PREAMBLE

The Mobile phone plays a very important role in the development of mobile commerce and mobile banking and there is a great scope of mobile banking in India as the number of mobile users is increasing.

Therefore, it is important that for M-banking to be successful the M-banking services need to be technology neutral. It is critical for the Authority to consider that any particular mode / technology platform, especially USSD should not be mandated.

M-banking services are utmost important to achieve the objectives of financial inclusion. Regulators, Government, telecom service providers and mobile device manufactures need to make efforts so that penetration of mobile banking reaches from high end to low-end users and from metros to the middle towns and rural areas.

For Mobile Banking customers the security and privacy of users for mobile financial transactions is an important point

Some of the reasons for lack of interest if so, by users in using USSD based mobile banking services, is the lack of awareness about the service amongst the customers.

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)

TTL Response:

USSD is Session based method. For better success rate & Customer experience, Stages cannot be unlimited. The sessions as a best possibility is to be kept as minimum as possible.

The finite numbers 5 or 8 etc. or any such number could be considered to keep the things in check.

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

TTL response:

Cost-based tariff for outgoing USSD session for mobile banking is recommended. There is no issue on per user MO/ initiated session, which is existing method as well. Charging customer on monthly/



periodic basis may not be cost effective for customer and also overall activation or renewal could be tedious process. Hence, we are of the opinion that pay per use model be the most simplistic.

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

TTL Response:

Methodology should be based on standard network cost calculations

- Basis on Network Infra cost,
- Platform HW, SW ,Services and Support
- Network Infra cost includes (Network Elements cost Like Data Centre costing , RF and Core NW & bandwidth)

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

TTL response:

In light of our response at Q2 this question is not applicable

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?

TTL Response:

No. We do not think that, 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. We are with MO/ Session based USSD model which is currently in use can be continued. Any other model would confuse the case as it may require multiple correlations between the entire supply chain to resolve.

There are many reasons for incomplete USSD sessions like timeout due to incorrect or no response from bank, termination of the session by the customer, bank server not responding etc. Most of the reasons for drop of USSD session are not in the control of the TSPs for very low failure of mobile banking transaction.

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

TTL response:

Yes. In light of the answers above, 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.

TTL response:

In light of Q6 response above the question is not applicable



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.

TTL response:

Pushing USSD Session after longer time gaps beyond reasonable limits may not be useful as customer may not continue with same beyond a particular limit.

Customer will anyway perform new USSD sessions, if customer wants to do an important transaction and his logical sense of security.

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.

TTL Response:

As TSP, we may not be averse to allowing all variety of mobile payment services apart from the mobile banking services over USSD as per TRAI guidelines.

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?

TTL response: Most points have already been discussed in our above responses.
