

Information Note to the Press (Press Release No. 75 /2016)

For Immediate Release

Telecom Regulatory Authority of India

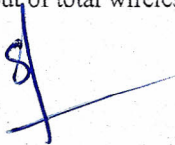
New Delhi, the 2nd August, 2016: Telecom Regulatory Authority of India (TRAI) has today released a Consultation Paper on '**Review of regulatory framework for the use of USSD for mobile financial services**'.

The expansion of banking and reach of financial services is considered to be vital for the long-term sustainable development of any country. From the standpoint of equity, it is essential that financial services are provided at an affordable cost to those who are presently excluded from the formal financial system. Mobile telephony could be the answer to the problems related to 'last mile' service delivery of financial services.

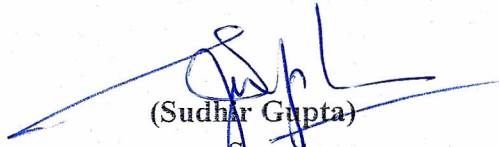
With about 22.5 crore Jan-Dhan accounts in the country, more than 100 crore Aadhar card issued to the citizens and more than 100 crore mobile connections in the country (of which about 45 crore are in rural areas), it was expected that the USSD-based mobile banking service would gain popularity amongst the unbanked/ under-banked population (the target masses of financial inclusion) with passage of time and would soon achieve a critical mass. However, even after nearly two years since August 2014, when it became available to all GSM subscribers¹ in the country, the progress of USSD-based mobile banking has not gained traction. In May 2016, only about 37 lakh mobile banking transaction attempts (over USSD channel) reached NPCI's platform (*99#). In order to identify and address the various issues for the use of USSD-based Mobile Financial Services, the Authority has issued the Consultation Paper.

The consultation paper has been uploaded on TRAI's website (www.trai.gov.in). The written comments on the issues raised in the consultation paper are invited from the stakeholders by 31.08.2016 and counter comments by 14.09.2016. For any clarifications on the

¹ GSM subscriber base was about 99.6 crore out of total wireless subscriber base of about 103.4 crore in the country as on 30.04.2016.



afore-said consultation paper, Smt. Vinod Kotwal Advisor (F&EA), Telecom Regulatory Authority of India, Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg, New Delhi-110002. (Tel: +91-11-23230752 Fax: +91-11-23236650, email-id: advfea1@traf.gov.in) may be contacted.



(Sudhar Gupta)
Secretary