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From: ***CITI IN Core Compliance** <dl.citi.in.core.compliance@citi.com>

Date: Aug 31, 2016 4:22:23 PM

Subject: Consultation paper on the review of regulatory framework for the use of USSD for mobile financial services

To: "advfea1@traigov.in"

Dear Sir/Madam,

We write with reference to the consultation paper released by TRAI on the captioned consultation paper.

Please find enclosed our feedback/comments on the same.

Thanking You,

Yours faithfully,

Karishma Gupta

Citibank N.A.

022-61756424

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).*

Five. The number of sessions in USSD should be as minimal as possible. More sessions will be cumbersome, and possibility of a timeout increases with increasing number of stages.

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
- (iii) Any other method.*

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

Lesser than a voice call or SMS charges

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

An optimal cost sharing model between banks and customers should be created for this

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, An optimal cost sharing model between banks and customers should be created for this. However, session drop outs should not be charged by the telecom operator.

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

No, an optimal cost sharing model between banks and customers should be created for this.

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.

An optimal cost sharing model between banks and customers should be created for this. However, session drop outs should not be charged by the telecom operator.

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.

Yes, appropriate customer communication should be sent to customers to inform of the unfinished transactions.

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.

Given by very construct of smartphones, the ease of advanced mobile banking transactions on smartphones is much easier than USSD. While USSD is universally accessible on any device, it has a few inherent restrictions like unfriendly experience, language constraints and frequent timeouts. While designing advanced mobile banking features through USSD, these limitations should be addressed.

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?

Given the rapid growth of Smartphones in the country, driven primarily by launch of low cost models, mobile banking via applications or Mobile browsers are options, that must be, in our view explored further. For customers not having Smartphones, USSD is a convenient way to perform mobile banking transactions. However USSD has a few issues like user unfriendly experience on feature phones, language constraints and timeouts. While designing advanced mobile banking features through USSD, these limitations should be addressed.