

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3390
ANSWERED ON:16.03.2011
FINANCIAL SERVICES USING MOBILE
Rao Shri Sambasiva Rayapati

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the comments of stakeholders or the consultation paper issued on Quality of requirements for delivery of basic financial services using mobile phone has been received;
- (b) if so, the details thereof; and
- (c) the action taken by the Government thereon alongwith the special measures taken to promote the Mobile banking in rural areas?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) Madam, Telecom Regulatory Authority of India (TRAI) has issued the consultation on "Quality of Service requirements for delivery of basic financial services using mobile phones" dated 28th October 2010 seeking comments from various stakeholders. TRAI has received comments from 18 stakeholders is given in Annexure. The detailed comments received from various stakeholders have been uploaded by TRAI on their website www.traigov.in under the link "Comments on Consultation Paper" dated 10th December 2010.

(c) Further to calling the comments on the Consultation Paper, TRAI has scheduled to conduct "Open House Discussion" on above subject.

An inter Ministerial group (IMG) under the Chairmanship of Secretary, Department of Information Technology (DIT) was constituted in November, 2009 to work out the relevant norms and modalities for the introduction of a mobile based delivery model for the delivery of basic financial services. The members of the IMG included the Telecom Regulatory Authority of India (TRAI), the Reserve Bank of India (RBI) and Department of Financial Services (DFS). The report of the IMG was accepted by the Government of India in April, 2010 and circulated to all the concerned Departments. Thereafter, a Monitoring Group has been constituted under the chairmanship of the Cabinet Secretary to resolve any inter agency issues and to ensure timely implementation of the recommendations of the Report. Many of the recommendations of the Committee have since been complied with.

Recognising the importance of mobile phones as a medium for providing banking services, the Reserve Bank of India (RBI) issued operating guidelines to banks for mobile banking transactions on October 8, 2008, which were reviewed and further relaxed on 24th December, 2009. RBI has authorised 46 banks till date to offer mobile banking services to their customers and 33 banks have commenced mobile banking.

Further, RBI has permitted scheduled commercial banks to operationalise Mobile Branches in Tier 3 to Tier 6 centres and in rural, semi urban and urban centre in the North Eastern States and Sikkim, subject to reporting. The mobile branch guidelines envisage the extension of banking facilities through a well protected van. The mobile unit would visit the places proposed to be served by it on specific days / hours so that its services could be utilized by the customers. Some banks like Allahabad Bank, UCO Bank, Corporation Bank, have launched the mobile van bank services.