

No.171/2/1/2009-CA.V
 CABINET SECRETARIAT
 RASHTRAPATI BHAWAN

Dated the 19th November, 2009

Subject : - Constitution of Inter - Ministerial Group to list out various concerns to allow financial transactions through mobile services.

A proposal is under consideration of the Government regarding introduction of a Mobile Based Model for delivery of basic financial services.

2. There is a need to work out relevant norms and modalities and to define the roles and responsibilities of various stakeholders, Ministries/Departments and Regulatory Bodies like RBI and TRAI in this regard. An indicative list of the issues likely to be addressed in this context is at Annexure.

3. To enable finalization of a framework for this, it has been decided to constitute an Inter Ministerial Group under the Chairmanship of Secretary, Department of Information Technology. Other members of the Group would be as under:-

- (i) Home Secretary or Additional Secretary in MHA dealing with the subject
- (ii) Secretary, Department of Telecommunications
- (iii) Additional Secretary, Department of Financial Services
- (iv) Secretary, Department of Posts
- (v) Secretary, Ministry of Rural Development
- (vi) Secretary, Planning Commission or her nominee
- (vii) Secretary, UIDAI.
- (viii) Representative of Telecom Regulatory Authority of India
- (ix) Representative of Reserve Bank of India

4. The Group would be free to co-opt other Members, as and when considered necessary.

5. The Group will be serviced by the Department of Information Technology. It would submit its report within two months from the date of its constitution.


 (K. S. Acharya)
 Director

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To

- ✓ Secretary, Information Technology
2. Home Secretary
3. Secretary, Department of Telecommunications
4. Secretary, Department of Financial Services
5. Secretary, Department of Posts
6. Secretary, Ministry of Rural Development
7. Secretary, Planning Commission
8. Secretary, UIDAI.
9. Chairman, Telecom Regulatory Authority of India
10. Governor, Reserve Bank of India

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The group would work out modalities and define roles and responsibilities (for stakeholder Ministries / Departments and regulatory organizations like RBI and TRAI) with respect to the following :-

- (i) The type/types of transactions that could be allowed.
- (ii) The quantum of financial limits which may be imposed.
- (iii) The types of guarantee to be offered by the airtime vendors.
- (iv) Eligibility of the agencies involved
- (v) The role, responsibility and accountability of telecom service providers.
- (vi) Regulatory issues to ensure accountability, auditability and traceability of money transfers.
- (vii) Need for inter-operatebility between various service providers and standards involving the agencies processes, transactions and formats involved.
- (viii) Interface with banking regulator.
- (ix) Safety of deposits.
- (x) Security standards governing transactions.
- (xi) Issues with respect to KYC- Know Your Customer provisions.
- (xii) Customer protection, complaints & redressal mechanism.
- (xiii) Linkages with the proposed Unique ID for residents.
- (xiv) Geographical coverage of services with respect to inclusion of border / sensitive areas.
- (xv) Leveraging the
 - a) existing infrastructure established and operationalised by the telecom service providers across the country for airtime payments
 - b) electronic service delivery outlets in the form of Common Service Centres/Bharat Nirman kiosks being established across the country.
 - c) existing infrastructure created by the States/any other agency
- (xvi) Any other issue with respect to conceptualization and operationalisation of the mobile-based financial services model.