



MOBILE BANKING (QUALITY OF SERVICE) REGULATIONS, 2012

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Mobile Banking (Quality of Service) Regulations, 2012

The TRAI has taken a strong measure to encourage the uptake of mobile banking in India by releasing the “Mobile Banking (Quality of Service) Regulations 2012”. This is aimed at defining the Quality of Service (QoS) standards for mobile banking, in order to facilitate faster and reliable communication means to enable the service. For this, the service providers are required to facilitate the banks to use SMS, USSD and IVR to provide banking services to its customers and optionally facilitate the banks to use WAP or STK. The response time to deliver the message for mobile banking services generated by the customer or the bank ought to be within the timeframe of less than or equal to 10 seconds for SMS, WAP, IVR and STK and less than or equal to two seconds for USSD. If the SMS sent by the bank is not delivered within the aforementioned timeframe, an USSD communication should be sent to the customer confirming completion of the transaction. For mobile-based financial transactions, the operators are required to meet the QoS standards defined by TRAI. Operators are required to maintain complete and accurate records of such transactions. The TRAI has prescribed that the confidentiality of end to end encryption, integrity, authentication and non-repudiation of communication shall be in accordance with the standards certified by ITU/ETSI/TEC/International standardization bodies such as 3GPP/3GPP2/IETF/ANSI/TIA/IS or any other international standard as may be approved by the central government.

PSA view – This is a smart move to penetrate banking services in rural India. Crucially, the entire transaction will depend on the capability of the mobile network to deliver a fast, reliable and cost effective method of communication with inbuilt audit trails and desired levels of security for transmission. As this will be a financial transaction, consumers would expect a confirmation of the outcome of the transaction. For this, the various modes of communication with different functionality and merits have been suggested like, SMS, IVR, WAP, which can be used across both CDMA and GSM.

Guidelines for Unified Licence/Class Licence and Migration of Existing Licences

The TRAI on April 16, 2012 issued its recommendations on the “Guidelines for Unified Licence/Class Licence and Migration of Existing Licences”. In its recommendations on “Spectrum Management and licensing Framework” dated May 11, 2010, TRAI has recommended that all future licenses should be unified licenses and that spectrum be delinked from the licence. Vide its letter dated October 10, 2011, government

had requested TRAI to recommend (i) the unified licence guidelines including, recommendations on entry/eligibility, PBG, FBG etc and (ii) the modalities & guidelines for enabling existing UAS/CMTS/ISP/NLD/ILD/GMPCS licensees including IP-I providers to migrate to National/Service Area level Unified Licence. Based on comments received and its own analysis, TRAI recommended that in the framework of unified licence, there shall be three levels of unified licences: national level, service area level and district level. One time non-refundable entry fee shall be charged. In the new licensing regime, as the spectrum has been delinked from the licence, TRAI will be entrusted with the function of granting all types of unified licences.

PSA view – This is a welcome step as these recommendations give a proper frame work and conditions and guidelines to obtain different licenses by the service providers for offering different types of telecom services to the customers. In view of the fact that the convergence of markets and technologies is forcing realignment of the industry and is blurring the distinction between different networks and services, TRAI has come up with this recommendation that the current licensing framework should be replaced by the new unified licensing system.

Powers to TRAI

The Telecom Committee has in a recent meeting granted the TRAI with the powers to summon persons, examine them on oath, demand documents and evidence on affidavits and, in appropriate cases, call for expert assistance in conducting inquiries. This move grants the regulator powers of a civil court for discharging its duties which TRAI had been seeking since 2006.

PSA view – This decision of the government squarely places investigative powers with the TRAI which is at par with regulators such as SEBI and the Competition Commission of India. There is a need for greater transparency, particularly considering the scams which have tarnished the image of the regulator, and now with the telecom minister granting its longstanding plea of additional powers as well as the responsibility of managing spectrum, TRAI's wish list has been completed. It is now up to the regulator to decide how to efficiently manage spectrum allocation as well as investigate matters which has increased the responsibility and also the risk of the regulator.

TRAI to regulate advertisements on TV

The TRAI has released a consultation paper on issues related to advertisement on TV channels for suggestions/comments from stakeholders. The advertisements in the television channels contribute a significant portion of the revenue for the broadcasters. While for the FTA channel broadcasters, it is the only source of revenue, advertisements account for 71% of the revenue for pay channel broadcasters. Thus, there is a natural tendency to push more advertisements by the broadcasters in their television programs. The increasing duration and distracting formats of advertisements adversely affect the consumers' viewing experience. This has been reflected in consumer complaints and opinions being expressed at various fora. With the primary objective of striking a balance between giving a consumer a good viewing experience, and protecting the interests of all the stakeholders of the television industry, TRAI, suo motu, has taken up a review of existing regulations on duration of TV advertisements and the format of their presentation in television channels in India.

PSA view –While Indian Broadcasting Federation has provided its comments on each aspect of the paper and stated that it has been issued in an injudicious manner in so far as it reflects on the authorities power to regulate content on television channels. TRAI cites consumer complaints and reports without providing access to the same and has further erred in comparing the Indian Broadcasting sector with that of developed nations, with more favorable regulatory regimes. The paper lacks in providing adequate justifications for a differential regime for Pay and FTA channels and also does not take into account the unique business model of sports broadcasters who operate in challenging regime of growing content acquisition costs while also being mandated to share their signals with the public broadcaster.

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