

**Minutes of the Brainstorming Workshop on
Emerging Challenges of
Mobile Financial Services for all Stakeholders
held on June 16, 2017 at IDRBT, Hyderabad.**

A Brainstorming Workshop on Emerging Challenges of Mobile Financial Services for all Stakeholders was held at the Conference Hall (205), IDRBT, Hyderabad from 10.30 a.m. to 4.30 p.m. on Friday, June 16,, 2017. The list of attendees is in the Annexure. The proceedings of the workshop and outcomes are as follows:

(1) Welcome Address:

Dr. V. N Sastry, Coordinator of the Workshop & Executive Secretary, MPFI has welcomed all and briefed about the agenda of the workshop, importance of various stakeholders, developments in Mobile Payments and Mobile Financial Services in India over the past one-decade and various challenges.

Dr. A. S. Ramasastri, Director, IDRBT, has welcomed all the participants, appraised about the activities of IDRBT and its other Forums as CIO Forum, CISO Forum and CAO Forum. He asked the members to deliberate on the need and relevance of a Forum on Mobile Payments and Financial Services. He urged the members to discuss to find answers to whether the MPFI should continue as it is in its present form, become more flexible and informal or become similar to other IDRBT forums for information exchange. He suggested to deliberate on the positioning of the forum, scope of members, nature of stakeholders to be self-regulatory based on forum guidelines without contradicting regulatory guidelines, activities of the forum in promoting mobile payments and financial services without compromising the security of the user. He expressed that such Forums should remain product and producer agnostic.

(2) Open discussions Moderated by Dr. Gaurav Raina, IIT-Madras:

The Panel consisting of Dr.Gaurav Raina, Mr. Katuri Srinivas, and Mr. Chandrashekar Rao Kuthyar presented their thoughts on present developments and issues and initiated deliberations for the views of participants. All the participants strongly expressed on the need and relevance of the forum on mobile payments and mobile financial services, and they interactively participated in the debate on several issues. Dr.Gaurav Raina stressed upon need for NFC and non-proximity based payments, voice authentication & mobile voting in near

future, off shoot of innovative ideas and spin off for startups, biometric authentication services and potential intervention from MPFI.

A healthy discussion on multiple UPI applications was held between Mr. Katuri Srinivas and some participants. Some of the participants deferred of having multiple UPI applications saying that it was leading to confusion among users. Participants felt the need for awareness of mobile services and local language integration in mobile applications. Some of the participants stressed the need for having certification of mobile applications, which is agreed by all other participants including panelists. One participant discussed the idea of using a bank account as prepaid cards, and other discussions include BHIM versus other UPI applications, Merchant's UPI implementation challenges, innovations in NFC-based payments, the roadmap for BHIM application and micro transactions. Some of the participants also stressed for having user's perspective instead of bank's perspective in designing mobile applications. A small discussion held on the feasibility of "One India one mobile one bank". In the later part of the discussion,

(3) Developments and Trends in Mobile Payments by Mr. Dilip Asbe, COO, NPCI:

Mr. Dilip Asbe joined the discussions with the panelists and presented his views on migrating users (especially in villages) to the digital platform and development trends over the next 2-3 years. He answered participant's question of having multiple UPI applications and presented a road map on BHIM application. He stressed the need for hard KYC norms for wallets and mass campaigns in migrating people to digital payments. He presented his thoughts about the objectives of the forum, the framework for the forum, frequency of forum's meetings and future activities of the forum. He informed that mobile security standards and UPI 2.0 would be launched shortly.

(4) KYC of Banks by Mr. Chandrashekar Rao Kuthyar, Apnakhata Ltd:

Mr. Chandrashekar Rao Kuthyar has presented his survey report on KYC procedure followed by the banks. Based on the data collected and analyzed, the KYC procedures followed by banks were put into three categories very weak (postal address and self-photo), weak (email address) and strong but vulnerable (Mobile number and signature). He observed that many banks are not verifying postal address, mobile number and email address. He suggested Banks to utilize Indian Postal Department services for verification of postal address of customers and a verification link should be sent to email address given by user to conform the email address. He has presented a summary on improving KYC data collected by banks.

(5) Presentation on MPFI, Mobile Governance and CMB activities by Dr. V. N. Sastry, Professor, IDRBT & Executive secretary, MPFI:

Dr. V. N. Sastry had explained how the Mobile Payment Forum of India (MPFI) had evolved since 2006 and contributed in the past one decade. He briefed about the structure, founding members, executive members, bylaws and other rules followed by MPFI. He proposed some of the new members into executive committee for 2016-18 and said that some other members can also be included in the next meeting. He presented the audited report of MPFI for 2016-17 and informed to revamp the old website accessed at mpf.org.in shortly. He has presented about mobile governance initiatives of the GoI and the m-Gov standard, which would help the government to serve the people better through multiple services and migrate large number of people towards digital India. He presented the mobile governance architecture, which integrates several entities and services and expressed need for MPFI to play bigger role in this direction. He briefed about the Centre for Mobile Banking (CMB), IDRBT and visit to it.

(6) Presentation on the Centre for Payment Systems:

Dr. M.V.Sivakumaran, Assistant Professor and Dr.N.V.Narendra Kumar, Assistant Professor, IDRBT have informed about the new Centre on Payment Systems being set up at IDRBT, its proposed objectives and future activities with focus on Block Chain Technology.

(7) Participants Visit to Center for Mobile Banking:

Dr.N.P.Dhavale, Associate Professor, IDRBT has presented details of activities and security testing of mobile applications of banks conducted by the Center for Mobile Banking (CMB), IDRBT. Mr. B. Sriramulu, Research fellow, demonstrated static testing of mobile banking applications and the results of various experiments at CMB, which exposes vulnerabilities in mobile banking applications. Mr. D. Mallikarjun Reddy, Research fellow, presented and stressed upon the need for code obfuscation in mobile banking applications as binary protection.

(7) Closing remarks by the Director, IDRBT.


Dr. A. S. Ramasastri, Director, IDRBT has highlighted on how various forums meetings are conducted at IDRBT. He also urged the forum members to look into other forum's structure and explore how one forum can be helpful to the other forums. He stressed that IDRBT's job is to keep all the Forums under its coordination to be alive and active. He thanked MPFI forum members and others in their active participations in the deliberations and hoped the forum would reshape to play bigger role in future.

(8) Summary of the Outcomes of the Deliberations of the Workshop:

- I. The significance, relevance and importance of MPFI as a neutral body and non-profit society in providing level playing platform to discuss the developments, resolving the issues and act as a think tank was expressed by all stakeholders. It was suggested to redefine the scope of activities of MPFI in order to be more active and productive.

- II. It was suggested that IDRBT, IIT-M and NPCI should take lead in Coordinating and Organizing MPFI meetings at least twice a year. Next one may be held in Mumbai/Hyderabad in Aug/Sept.2017.
- III. The proposal of Dr.Gaurav Raina as Chairman of MPFI and inclusion of members Shri R.K.Chattani (GM, UCO Bank), Shri Saran K.Joseph (AVP, Federal Bank), Shri Chandrasekhar Rao Kuthyar (LC, Apnakhata Ltd.) and Sri.Katuri Srinivas (CTO, Transaction Analytics Ltd) in the Executive Committee of MPFI was approved by all, which would be ratified in the next meeting.
- IV. It was suggested to include organizations as Postal Bank, UIDAI, Wallet providers, Payment Banks, Fintech companies, Telcos in the Forum.
- V. Forum should fulfill the Level playing and support requirements, of private and startup companies who compete with their own money compared to government companies.
- VI. Forum should conduct National level campaigns & awareness workshops for public at various places in the country.
- VII. The forum may focus on emerging issues as Multi-lingual support, Security guidelines for m-apps, e-KYC, merchant acquisitions, splitting and charges, conducting usability study, fraudulent transactions, showcasing of innovative solutions, strategies of scaling up of mobile payment transactions, AADHAR PUK charges, Framework for 3rd party revenue sharing, RFP sharing with PSB, Procurement & Negotiation for Price list, Bharat QR Code standardization and Popularization, NFC guidelines, UPI APIs, m-Pay issues of smaller and co-operative banks, small merchants etc.
- VIII. Opening up of CMB programs to Industry or conduct special programmes to Industry Participants. Conducting Nationwide Training Programmes by MPFI for all stakeholders.
- IX. Prototyping and Testing, App Development and PoC:
 - a. Report on the Mobile Application Testing and Security Guidelines be prepared and discussed to become a Self-Regulatory Standard.
 - b. Test Bed Development
 - c. Participation of Solution / Service Providers
- X. Providing projects for students and researchers Nationwide to promote innovation.
- XI. Incentive Structure for stakeholders to actively take part in the Forum :
 - a. Solution oriented forum
 - b. Think Tank
 - c. Show Casing
 - d. Innovation

The Workshop ended with thanks to everyone for actively participating in the brainstorming deliberations by the Director.


(Dr.V.N.Sastry)

Annexure-List of Attendees		
S.No.	Name of Participant	Organization
1	Shri. Jude George	Andhra Bank
2	Shri. Chandrashekar Rao Kuthyar	ApnaKhata Labs Pvt. Ltd.
3	Shri. J. Durga Prasad	BSNL
4	Shri. Satish Kumar Bitra	Central Bank of India
5	Shri. Jitesh PV	Federal Bank
6	Shri. Saran K Joseph	Federal Bank
7	Shri. M A Khan	IDBI Intech Ltd
8	Dr. Gaurav Raina	IIT, Madras
9	Shri. Gokul Visweswaran	NFN LABS
10	Shri. K. Srinivas Rao	Syndicate Bank
11	Shri. T. V. Subramanyam	STQC
12	Shri. Avishek. S	STQC
13	Shri. Suresh Srinivasan	TCS
14	Shri. R. K. Chhattani	UCO Bank
15	Shri.Katuri Srinivas	IDRBT & Transaction Analytics
16	Shri. Dilip Asbe	NPCI
17	Dr.A.S.Ramasastri	IDRBT
18	Dr.V.N.Sastry	IDRBT
19	Dr.N.P.Dhavale	IDRBT
20	Dr.M.V.Sivakumarn	IDRBT
21	Dr.N.V.Narendra Kumar	IDRBT
22	Mr.B.Sriramulu	IDRBT
23	Mr.Mallikarjun Reddy	IDRBT