

Assignment

CSE 429

Group- 14

Roll no

1. 201614124
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Mobile finance Services

Introduction. Mobile finance services popularly known as "Mobile banking" is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device. It includes:

1. Disbursement of inward remittances
2. Financial transactions through agent/ bank branch / ATM / Mobile operator outlet.
3. Payment of business organization (such as utility bills) by individuals.
4. Payment of individuals by government and also vice versa.
5. Individual to individual transactions.

Conceptual Network.

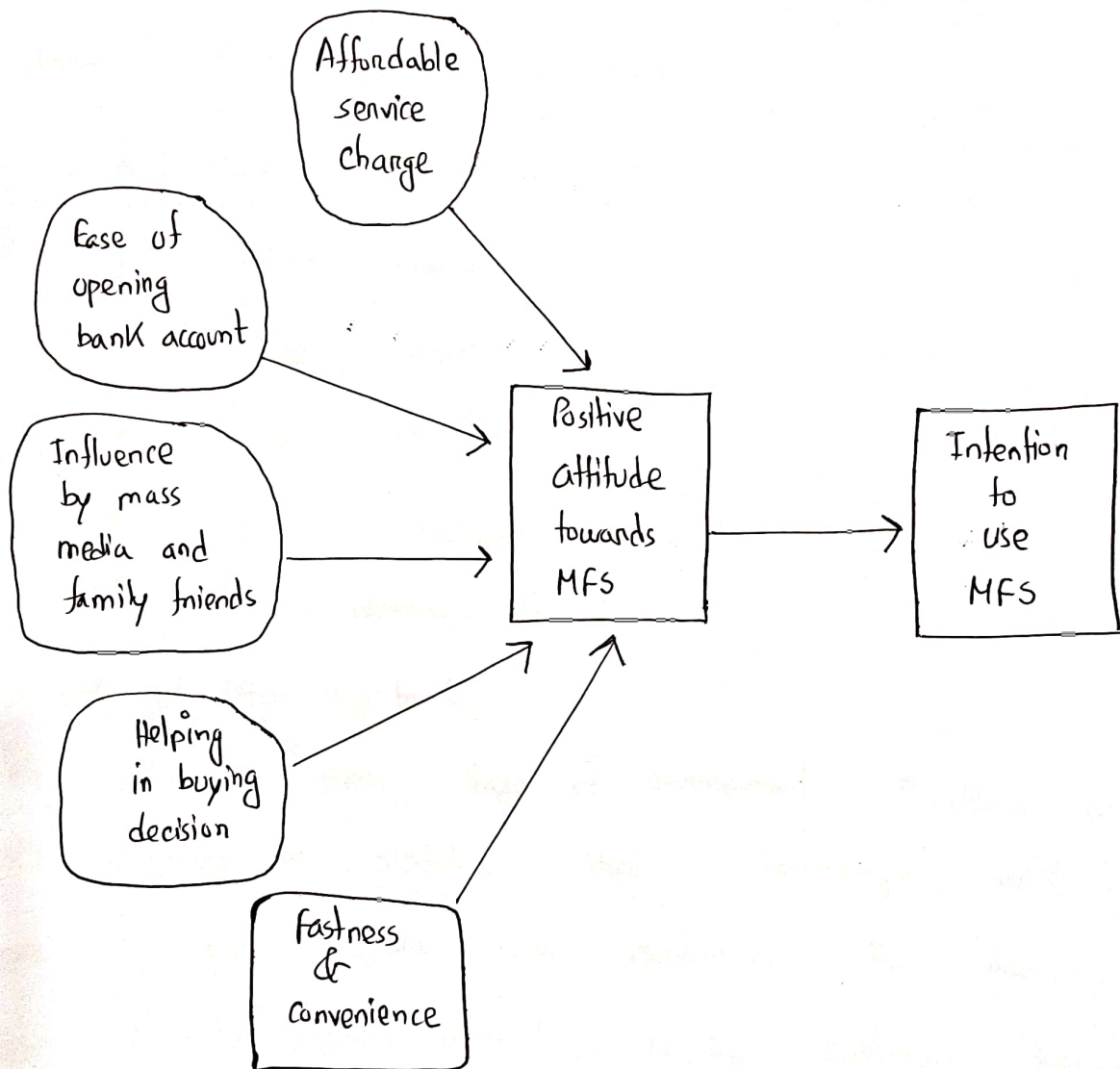


Fig: Conceptual Network of MFS

Services Provided by MFS.

Multifunctional services have been provided by MFS throughout the year. These include:

1. Cash transfer service
2. Airtime pop up
3. Salary payment
4. Payment collection
5. Merchant payment
6. Saving schemes etc.

Growth of MFS day to day.

MFS is now ⁱⁿ early stage of development. Providers are still working to stabilize their technology, build agent networks and acquire new customers. This involves finding and training agents, marketing, helping customers transact and acquiring customers by using Know Your Customer (KYC) and account opening processes. New services are reaching in multiple areas and most clients express their cautious optimism about MFS being valuable.

The new opportunities that have arrived or supposed to be operable in upcoming days are:

1. Innovate ~~a new~~ ^{new} MFS products and services
2. Increase partnerships with MFI
3. Increase salary disbursement with less cost

The challenges faced due to continuous growth of this service are:

1. Fraud
2. Extortion and social crime
3. Challenges faced by customers

General Guidelines.

However, each and every system associated with particular MFS should follow some common annotations:

1. Authentication and authorization
2. Banking and Payment alerts (Transaction records)
3. Limiting liability for unauthorized transaction
4. Disclosure of Terms: Disclaimer

5. Consent to Enrollment
6. Compliance with Laws and Regulations
7. Security of Data Transmissions
8. Access controls and security of sensitive information
9. Fraud and identity theft protection

Prevailing system in Bangladesh.

MFS platform in Bangladesh will be sponsored and led only by the payments system member scheduled commercial banks with prior BB approval. The scheduled bank has both banks and nonbanks entities including (MNOs) (Mobile Network Operators) subject to:

1. Banks holding majority beneficial ownership in total equity.
2. No bank or non bank entity holding more than fifteen percent beneficial ownerships in equity.
3. Beneficial ownerships in equity of MNOs in an MFS platform have not exceeded thirty percent.

Goals and Recommendations.

MFS in Bangladesh follows some basic goals to be achieved by future which include:

1. Safe and competitive banking channel.
2. Make more points of services available.
3. Lower costs across the banking system.
4. Potential to bring many un-banked into the formal financial sector.
5. Raises productivity across banking system
6. Wider economy.

Recommendations.

1. It is critical that Bangladesh Bank remain firm and send a consistent signal that overall regulatory structure it chose in 2011 will remain in action.
2. It should actively promote greater competition by facilitating entry of 2-4 additional serious players.
3. Bangladesh Bank should seek market feedback from full range of players in a systemic manner.