

**Mobile Payment Forum of India (MPFI)**

**Minutes of the First Executive Committee Meeting held on December 19, 2007**

Dr. Ashok Jhunjhunwala, Chairman welcomed all the Executive Committee members (List of attendees in Appendix-A) to the Teleconference meeting and appraised the members about the developments of MPFI and initial reports received from the three sub-committees [Technology Sub-Committee (TSC), Business Sub-Committee (BSC) and Regulatory Sub-Committee (RSC)].

1. Shri R.B. Barman, Co-Chairman started the meeting with his opening remarks on the swiftness of the activities that need to be carried for taking the MPFI Forward. He stressed that
  1. Bank should take active part in the mobile payment process for faster roll out, which is an expectation from the Regulators.
  2. Necessary Messaging Standards for Bank inter-operability should be followed for the mobile payments.

It was suggested by one of the members that any Sub-Committee, for example, technology sub-committee may need to interact with the Banks and Service Providers as well. The Chairman suggested that the list of members of MPFI is put on the website and so, the members can interact (co-opt) with each other, especially with the members who are not in the Sub-Committees.

**2. a) i) Bank Account Opening:**

The Chairman informed the members of the Executive Committee that a bank Account has been opened in the name of "IDRBT-MPFI" with A/c. No.426010100064451 at the Axis Bank, Humayun Nagar Branch, Hyderabad. This will be jointly operated by Dr.V.N.Sastry, Executive Secretary, MPFI, and Shri. S. Rashmi Dev, Manager – HR of IDRBT.

The Bank Account opening was unanimously approved by all the members.

**ii) Application Form for Institutional Membership:**

Format of the Application Form for Institutional Membership has been finalized based upon the inputs obtained from Executive Committee members and it has been sent on December 10, 2007 to all the attendees of the MPFI Workshop which was held at IDRBT on September 15, 2007.

The Executive Secretary informed the members that the initial membership fee of Rs.10,000/- was contributed by IDRBT as Founding Member, and till date, four (4) applications for membership along with Demand Drafts have been received which will be routed through the Accounts Department of IDRBT for depositing

in the Bank. He requested all members to expedite for their Institutional Membership.

iii) **Logo:** MPFI Logos designed have been circulated by the Executive Secretary to the members of the Executive Committee for their opinion.

**b) Appointment of a Secretary:**

It was proposed by the Chairman that a Full-time Secretary should be appointed to look into the secretarial works of MPFI, help in the web content development and maintenance of the website etc.

It was approved by all the members that a Secretary be appointed in due course of time with a consolidated salary in the range of Rs.12,000/- to Rs.15,000/- per month as the activities are growing. Currently, IDRBT is providing the secretarial assistance. However, the Director of IDRBT may be requested to provide necessary infrastructure for setting up of MPFI Office at IDRBT as well.

**c) MPFI Society Registration and Framing of Bylaws:**

The EC suggested to register the MPFI Society by contacting the District Registrar Office, Hyderabad and suggested to prepare the Bylaws.

The Chairman suggested that draft Society Bylaws be prepared and circulated by the Executive Secretary to all the members for their opinion and finalization in the next meeting.

**d) Letter Pad, Stamp for MPFI.**

The Executive Secretary explained to the members that the Letter Pad and an Official stamp of MPFI are required to endorse and acknowledge the payments received on behalf of MPFI and for official correspondence.

He suggested that the Letter Pad would contain the list of Executive Committee members along with their email IDs and telephone numbers on the left side as it authenticates and adds proper value to the Society, which was approved.

**e) Website Updates, Posting of white papers, News articles etc.**

The Executive Secretary informed the members that currently the Website is being maintained by Mr.Ravi Saraogi, TENET Group, IIT Madras. He requested the Members to send MPFI related articles and news items which can be published in the website. The articles received are first screened for any copyright violation and then posted onto the website for knowledge enrichment in

the Mobile payment area. There may be some confidential information, which is only for the members and so access control need to be set up.

The Chairman informed that making the website updated is a key activity that should be done by the new Secretary to be appointed. Website could be used as one of the methods of communication to all the members and for discussion groups.

The members suggested that the Executive Secretary should receive the articles, get it vetted and approved by a two-member Committee and then the Administrator should post the articles on the Website. It was also suggested to include a disclaimer clause for the posted articles.

**f) Newsletter of MPFI and its periodicity:**

It was proposed that a Newsletter of MPFI be published introducing various technologies, issues, starting with basics of mobile payments and payment systems, which will help others to know the growth and development of mobile payments.

It was decided by the EC to publish the MPFI Newsletter in an Electronic Form on a quarterly basis starting from 2008. The Newsletter Sub-Committee (NSC) consisting of Dr.V.N.Sastry, Shri Sanjay Swamy, Shri Pallab Mitra and Shri Rajeeb Chatterjee has been constituted for this purpose.

**g) Membership rules and new members:**

Banks, Telecom Operators, Regulators and Academia of India may directly qualify for Institutional membership provided their role is significant in Mobile Payments area.

For Software and Hardware Organizations, Handset Manufacturers, Component Manufacturers and other Mobile Payment Service Providers, the Executive Secretary would prepare a write up of the Company and send it to the Executive Committee for their approval. Based upon the Committee's approval, they will either become Members or Associate Members of MPFI. Venture Capitalist may also be considered for Associate Member.

**3. Discussion on the draft reports submitted by the three Sub-Committees (TSC, BSC, RSC).**

EC deliberated on initial reports of the three subcommittees. The following was observed:

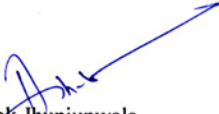
- a) The three subcommittees should co-opt members, where they feel necessary to ensure that banks and telecom operators are represented.
- b) While mobile payment models exist for bank to bank as well as bank to non-bank payments through mobiles, it was felt that as a first step, MPFI will focus on technology, business and regulation issues involved in
  - (i) Payment from bank account of one individual to that of another individual through mobile payments.
  - (ii) Mobile payment operation involving multiple banks as well as multiple telecom operators
  - (iii) Real time transfer from account in one bank to that of other may be required; RBI is already working on it and we should examine the messaging standard suitable for mobile payments in this regard; whether SFMS or its variant can be used, need to be examined.
- c) The technology to be used would include SMS, USSD, GPRS and 3G1X; security and delays involved as well as guaranteed delivery issue and repudiation need to be examined by the technology committee. It was felt that two factor authentication is a must. Whether possession of a phone and a PIN would be sufficient or two PINs would be required, need to be discussed. It was felt that more PINs would make it complicated for the users and simplicity is a must for it to be attractive to users. Bio-authentication (finger print) need also to be examined.
- d) The technology as well as business committee should focus in understanding costs to banks as well as telecom operators associated with each model; it is recognized that unless costs are very low, users will not find it attractive. It is important to look at the customer affordability for low value payment transactions. One must also understand the costs associated with real time inter-bank transfers in this regard. It is desired to investigate as to how the backend costs and carrier costs are brought down and what common sharable resources are required. Details of Cost Models and cost sharing should be worked out.
- e) The EC felt that it is important to understand what user is ready to pay for such transfers, both when transfers involve payer and payee to be at same location and when payer and payee are at different locations; only a few studies have been conducted in their regard. The available reports will be shared. The EC discussed the possibility of conducting one such study and conduct a survey.
- f) The key business issue is how to share revenue in between the mobile operators and banks.
- g) It was felt that the regulators will be comfortable when the transfers, to begin with, involve two bank accounts; one can later examine issues when two bank accounts are not involved.
- h) It was emphasized that the Bank Settlement for Debit and Credit mobile payments should take place on real time and on a 24x7 time basis. The settlement limit should be at most (T+1) day.
- i) It was suggested that SFMS (Structured Finance Messaging System) could be used for standard messaging system and so documents of SFMS standards are to be made available to all the EC members.

**Time Frame:**


The Executive Committee has decided that the respective Sub-Committees should work out the above issues and other aspects at the earliest. The target for the finalization of the consolidated report based upon the sub-committees reports would be by the end of February, 2008.

The Chairman informed that the next EC meeting would be held in the month of January 2008 through teleconference and a physical meeting at IDRBT, Hyderabad will be held in the month of February 2008.

Both the Chairmen have appreciated the effort put forth by the members of the Sub-Committees and IDRBT and felt that all members should work as a team with National Spirit to make Mobile Payments successful in India. The meeting ended with vote of thanks.

  
Ashok Jhunjunwala  
(Chairman)

**Dr. Ashok Jhunjunwala**  
Chairman, MPFI.

  
V.N.Sastry  
(Executive Secretary)

**Dr. V. N. Sastry**  
Executive Secretary, MPFI

December 20, 2007  
MPFI



Appendix - A

MPFI - Executive Committee Members

Sl. No.	Name	Designation	Telephone No.	Mobile
1.	Dr.Ashok Jhunjhunwala, IIT Madras	Chairman	+91-44-22579666 (Mobile PIN is 2222#.)	9840016781
2.	Dr.R.B. Barman, Reserve Bank of India	Co-Chairman	022- 22633146	98200 59122
3.	Dr.V.N.Sastry, IDRBT	Executive Secretary	040-23536431	9440803813
4.	Mr. U N Challu, State Bank of India	Executive Member	(022) 2285 5821	9833834343
5.	Mr. Rajeeb Chatterjee, HDFC Bank	Executive Member	(022) 2498 8484 Ext. 3493	93224 08061
6.	Mr. S. Padmanabhan, Canara Bank	Executive Member	(080) 2558 4273 (D)	99009 44822
7.	Mr.Padmash Naik on behalf of Mr. Anil Pande, Reliance Communications	Executive Member	(022) 3037 7877	093241 10093
8.	Mr.Pallab Mitra Bharti Airtel	Executive Member	(0124) 466 6121	98102 09283
9.	Mr. Vivek Dayal, VNSL International	Executive Member	(022) 66526331	9930311551
10.	Mr. Sanjay Swamy, mChek	Executive Member	(080) 4179 5900	99800 88574
11.	Mr.Chandrashekar Rao, C-sam (India) Pvt. Ltd	Executive Member	(022) 2778 2207	93239 73806
12.	Mr.G.P. Shekar, Financial Software & Systems (P) Ltd.	Executive Member	(044) 2254 0251 Ext. 103	98407 33790

