

INTERVIEW

# MFS needs business-friendly guideline

Mahindra Comviva is the global leader of mobility solutions catering to the business of tomorrows. The company is a subsidiary of Tech Mahindra and a part of the \$16.9 billion Mahindra Group.

Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution, digital lifestyle services and managed Value Added Services. Mahindra Comviva's solutions are deployed by over 130 mobile service providers and financial institutions in over 90 countries.

Recently, Reyad Hasnain, country manager at Mahindra Comviva, gave his insight into Mobile Financial Service (MFS) and related issues in an interview with **Dhaka Tribune** taken by **Ishtiaq Husain**.

He has over 15 years of experience in telecom and IT sector with multinational companies spanning diverse job-roles.

**How do you evaluate Bangladesh MFS?**

MFS has enough space to expand in Bangladesh. Through mobile service has been expanded in the country, subscribers are not getting all kinds of services. A total of 29 banks are providing MFS, but only 18 banks are so far offering the service.

**How can we achieve a minimum level of MFS target?**

A lot of work needs to be done for taking MFS to level of adoption. Bangladesh Bank plans to integrate a total of seven business entities, including four commercial banks, into MFS platform, which poses challenges.

According to the proposed MFS revised guidelines, the commercial banks will hold a majority of beneficial ownership, with non-banks not



Reyad Hasnain, country manager of Mahindra Comviva in Bangladesh, gestures while speaking to Dhaka Tribune recently

exceeding 15% and Mobile Network Operators 30% in their total equities.

The central bank revised the guidelines to provide the poor and unbanked segments of the population in rural areas with greater access to formal financial services at an affordable cost. But with current proposal this might not see the light.

Investors will not be encouraged to invest in current model and mobile operators should get more opportunities.

**How can the government make it more popular?**

At the initial stage in mobile services (during the launch of 2G),

the government didn't impose any licence fee. As a result, mobile operators invested a huge amount of money in developing the infrastructure that played an important role for flourishing mobile networks across the country. Mobile operators introduced inter-operability in two to three years since inception. Inter-operability is a must for quick flourishing of any telecom-related services. In order to make MFS popular, there is an urgent need to introduce inter-operability services for quickly expanding services among the masses. Also more services around MFS should be encouraged by the

**How can we come out of this limitation?**

MFS needs a business friendly guideline to flourish. It has three stages: foundation stage, evaluation stage and maturity stage. Foundation stage is the initial stage where only limited services are available and it generally lasts between two to three years. Since its inception, we have passed five

years. Unfortunately, we are still at the foundation stage.

**What types of services are available in maturity stage?**

Bulk payment (B2B), open loop merchant payments, biometrics, remittance transaction, contextual promotion and loyalty are available in this stage.

**How can MFS play a vital role in building digital marketing?**

Before Eid, mobile subscribers became irritated due to bulk SMS with various offers. If any subscriber is around a coffee shop, detecting the customer location and offering a special discount are a kind of digital marketing in simple form. Customers look for transactions that promise personalised content and services delivered in context. Digital money will replace physical money in the long run. To avail these types of services, we will have to create awareness through media and campaign.

**How can we protect digital transaction from fraudulence?**

We have to overcome the fear of fraudulence. With some recent measures, i.e biometric SIM registration, the frauds in and around mobile banking are reduced. However, there are still issues and the stakeholders are taking measures around it. But if we sit idle due to fraudulence, the country's economic growth would be hindered. The main objective of MFS is to get the financial services to the grass roots. In Bangladesh, 70% population remain unbanked, which is very high in any measure. The government needs to adopt a friendly regulation so that MFS providers can send financial services to the grass-root level. \*