

Dhaka, Thursday, 22 April, 2021

Editorial Office

76 Purana Paltan Line, 3rd Floor
Dhaka-1000. Contact : +8802-48314265
E-mail: bdexpress15@gmail.com
www.thebangladeshexpress.com

News & Commercial Office

Sharif Complex, 2nd Floor
31/1, Purana Paltan, Dhaka-1000

Editor

Faruk Ahmed

Managing Editor

Shamim Ara

Special Correspondents

K Masum Ahsan

Alok Ali Hossain Shahidi

UK Correspondents

Farhan Ishrak Ahmed

Robina Yasmin

Contributors

BJFCI Members

Graphic Design

Lakshan Nath

Production & Circulation

Mostafa Kamal

From the Desk of the Editor

KYC, Financial literacy should come under urgent focus to stop frauds

The Ministry of Primary and Mass Education has found massive incidents of frauds in stipend disbursement in recent months disbursed through mobile financial service operators (MFS), according to reports published in leading dailies. Most stipend funds were disbursed by Nagad, a digital financial service not regulated by Bangladesh Bank. This is an alarming bell for Bangladesh where MFS has become a game changer for millions of poor people thanks to government's pro-active role under prudent regulations of Bangladesh Bank.

With the lockdown, looming economic concerns, and more time on our hands, mobile banking has seen a 50% surge across the globe since the beginning of 2020. More and more people are finding themselves more willing to bank on their mobile rather than physically visit a branch location due to social distancing policies. Fraudsters are not sitting idle. Taking advantages of loopholes in some MFS system and low financial literacy of most users who are poor people, they are using various apps and techniques to steal money from mobile banking channel.

The fear of MFS frauds is too strong in Bangladesh as most people using this service are poor, less educated and financially illiterate. The situation has been aggravated as some MFS operators have opened millions of accounts without knowing customers' identity (KYC, a mandatory rule in bank account operation) with the view to increase their market penetration. The most concern issue is that Nagad has been given to disburse 75% of stipend funds when it is not supervised by Bangladesh Bank.

The recent incidents of fraud in stipend disbursement is an alarming bell for Bangladesh. To reduce frauds in MFS operations, the government should not allow operators not operated under regulatory framework to disburse its funds. Regulators must stop random opening of MFS accounts without ensure KYC compliance and market players should improve financial literacy among their customers. Because, KYC financial literacy are the twin sisters for MFS to combat fraud incidents.

The Bangladesh Express is printed by the Editor from Sonali Printing Press, 167 Inner Circular Road, Dhaka & published from 76 Purana polton Line(3rd floor), Dhaka-1000. Phone: 880-48314265, 01911356700
E-mail: editor@dailybdexpress.com; dhakamoney@yahoo.com; dailybdexpress94@gmail.com.
website: <http://www.dailybdexpress.com>; <http://www.thebangladeshexpress.com>

Digital Finance is a monthly special of THE BANGLADESH EXPRESS and published under the financial literacy programme-FILMS, a collaborative initiative of

THE BANGLADESH EXPRESS
A PEOPLE'S DAILY JOURNEY SINCE 1954

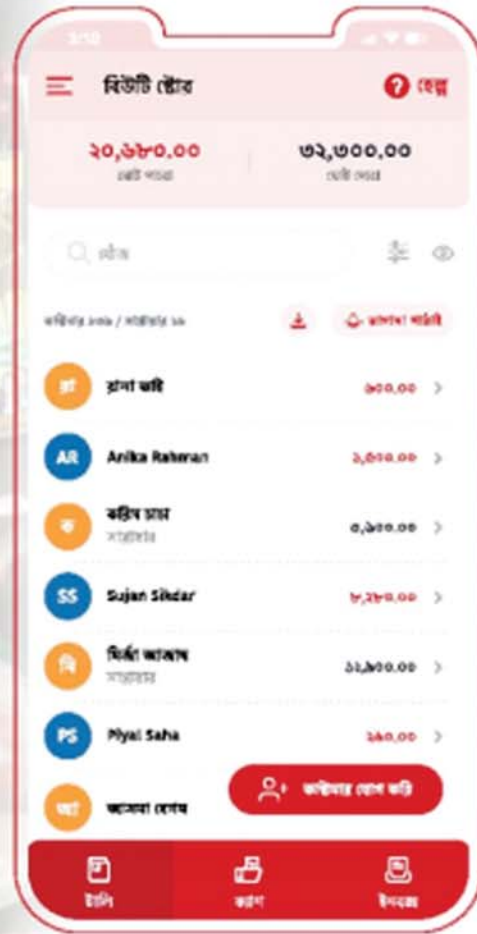
&

BJFCI
we work for people

 টালিখাতা

ব্যবসার হিসাব রাখার
নাম্বার-ওয়ান অ্যাপ।

সারাদেশে ৩০ লাখ ব্যবসায়ীর আস্থা।



আজই ডাউনলোড করুন



 TallyKhata

 tallykhata.com

 01980001418

Some MFS operators skip KYC form, threaten digitisation of Bangladesh

theindependent

RAFIQUL ISLAM AZAD

Opening of Mobile Financial Service (MFS) accounts by some unscrupulous operators without maintaining mandatory KYC (Know Your Customer) form filled in by account holders is likely to derail Bangladesh's journey towards a cashless society and the digitalisation, experts said.

As the incidents of mobile banking frauds are escalating day by day, experts said that some recent unlawful incidents by some MFS providers by opening customers' accounts in a short-cut manner by ignoring regulatory compliance may erode

consumers' trust on MFS innovations affecting the financial inclusion.

With increasing adoption of mobile, debit and credit cards, the country has leapfrogged into a mobile innovation powerhouse in order to jump start economic development in line with the government's vision of digital Bangladesh.

The MFS leads the digital economy to a society of cashless transactions and accelerate the journey towards a country of no paper currency.

Some local MFS operators are allegedly opening millions of accounts without proper implementation of KYC protocol enforced by Bangladesh Financial Intelligence Unit (BFIU) and not validated by Bangladesh Bank, the regulatory authority for the banking and MFS sector.



"Such accounts may open doors for fraudsters and criminals to steal money from innocent consumers, which will discourage people to cashless transactions. MFS accounts without KYC rules pose risks of money laundering and terrorist financing", said a central bank official.

KYC is a mandatory rule for banks and MFS operators to ensure that financial service professionals authenticate and assess the identity, suitability and risks involved in maintaining a business relationship with a client. Account operations by unidentified customers may allow fraudsters to steal money from others' accounts and help criminals launder money for financing terrorists.

To avoid risks of frauds, as per Bangladesh Bank guidelines, MFS operators must follow all KYC Protocols and required to periodically update the KYC records. KYC process is a combination of some programmes like Customer Identification Program (CIP), Customer Due Diligence and ongoing monitoring in the KYC process.

"Some MFS operators are opening MFS accounts based on photo copy of NID submitted through their own network channel and on the basis of list provided by mobile network operators that do not comply with the KYC rules. Any criminal can open an account in the name of an innocent people", Fakhruddin Ahmed, a security expert said.

Besides, the MFS accounts opened on the basis of customers list provided by mobile network operators is not safe and secured for MFS transaction as criminals can easily buy SIM cards with NID documents of others. The photo of the customer submitted online is not enough to know who is actually transacting, he added.

"If KYC document is not in place, any person can do any financial crime through the acquired MFS account. The rising fraudulence incidents in MFS landscape may discourage people to use digital channels, which will hit financial inclusion and the vision to become a less cash nation", the expert warned.

A leading MFS operator is alluring people through media campaign to open account within a few seconds, which may allow fraudsters to open MFS account for criminal purpose. Security experts termed this process as too risky and warn that globally mobile banking fraud is rising alarmingly and MFS accounts should be under regulatory scrutiny.

"There is no way to open a MFS account within a second as KYC information must be validated by the regulatory authority", a senior banker working in a leading commercial bank said. "All KYC formalities

must be completed to avoid any disaster in MFS industry which process billions of taka a day mostly by poor and low income people.

Globally, online fraud attacks rose 250 per cent over the course of 2020 as the pandemic pushed people to digital banking. In addition, attempted fraud increased by 200 per cent in mobile banking and 250 per cent in online banking between the first and fourth quarters, according to the recently published Feedzai Financial Crime Report.

One of the key reasons behind the rising trends of frauds is account opening without regulatory compliance. Other reasons are lower level of financial literacy and weak technological infrastructure and weak regulatory oversights.

Bangladesh, like many other countries, is moving fast towards a cashless society with its digital Bangladesh vision, thanks to the robust growth of the MFS industry. Today, mobile money operators are processing over a billion of dollars a day, representing vital and life-sustaining transactions of over 690 million mobile money accounts.



Millions of young consumers are avoiding cash and using cards to buy foods in restaurants, pubs and shopping malls, which has pushed up e-commerce and cashless transactions day by day. The coronavirus pandemic has accelerated this move by upending the supply and demand markets.

Experts said the top risk for the Bangladesh government is that transaction through unregulated MFS channel may pose risks of money laundering and terrorist financing, which ultimately will hit the economic growth of the country and digital Bangladesh vision.

To mitigate risks and frauds in mobile banking, strict enforcement of the regulation is urgent, they added.

Govt Fund Disbursement Through MFS In Quandary

A BAD APPLE SPOILS THE BARREL

Faruk Ahmed

Nearly 12000 fraud incidents found in stipend fund disbursement over the last 60 days since March when the government in good faith began disbursing stipends and allowances for educational accessories among 86, 452 primary school students through Nagad - the digital financial service of the postal department of Bangladesh - on February 7 last .

Finally, the government has asked Nagad to take measures stop frauds and disburse stipend money through Sonali Bank keeping stipend funds idle in bank accounts at least for a month.

Quoting education ministry officials, leading dailies published reports with key focus on opening millions

of Nagad accounts without regulatory compliance and Bangladesh Bank's supervision, a major cause for such destruction in govt fund and stipend distribution.

Taking advantages of operators' loopholes of accounts, a criminal gang contacted innocent parents of parents of the students living in remote areas in the names of Nagad officials and ministry officials. They collected PIN numbers of their Nagad accounts and embezzled stipend money from hundreds of innocent students.

Some local MFS operators are allegedly opening millions of accounts without proper implementation of KYC protocol enforced by Bangladesh Financial Intelligence Unit (BFIU) and not validated by



KNOW YOUR CUSTOMER



Bangladesh Bank, the regulatory authority for the banking and MFS sector.

"Such accounts may open doors for fraudsters and criminals to steal money from innocent consumers, which will discourage people to cashless transactions. MFS accounts without KYC rules pose risks of money laundering and terrorist financing", said a central bank official.

KYC is a mandatory rule for banks and MFS operators to ensure that financial service professionals authenticate and assess the identity, suitability and risks involved in maintaining a business relationship with a client. Account operations by unidentified customers may allow fraudsters to steal money from others' accounts and help criminals launder money for financing terrorists.

The education ministry, however, has already asked CID police to investigate the issues and find the culprits a fraud in mobile bankings is rising alarmingly across the globe which is sparks red alerts to all to focus on regulatory compliance in digital financial transactions.

If incidents of frauds in digital financial services continue, people will through out mobile financial service, a unique payment tool which has become a game changer in poverty reduction in Bangladesh for its multidimensional impact on financial inclusion.

Currently 15 MFS operators are engaged in MFS operations under the regulatory oversight and direct supervision of Bangladesh Bank since 2011 without any major disruption. Nagad is exception and awaiting for Bangladesh bank approval.

Such a huge number of fraud incidents in stipend fund disbursement has concerned both regulators and operators that the country's MFS industry, which has experienced nearly 200 per cent growth over the years may face jolt. A bad apple spoils the whole barrel.

The story is not ended here. The finance ministry

Digital Banking Fraud



officials said nearly 7.6 million poor people failed to receive allowance in 6 months for various reasons including fund disbursement through wrong accounts of different MFS channels. An inquiry at the Department of Social Services into the reason behind public allowances being held up, revealed that the allowances under the social security programme have been stuck due to the digitisation process.

Industry experts see random account opening proper validation by the central bank is the main reason behind such failure. some Mobile banking accounts are being opened countrywide through mobile financing services using the national identity card of the beneficiaries. Some MFS operators have opened millions of accounts without knowing customers' identity with the view to increase their market penetration.



Here, Nagad has surpassed all records- opening accounts with a 4 digital PIN number within 3 seconds. Such bank account opening certainly is a golden opportunity for fraudsters to steal money from innocent people, like parents of students and dangerous for the MFS industry growth as rising incidents of frauds in MFS transactions will discourage people to use such payment tool, which ultimately will hut the government's digital Bangladesh vision.

So, the big question is: Should we allow a bad apple to spoil the whole barrel?

MFS: An innovation fits under regulation

And by providing assurances about the safety or effectiveness of new products and services, and setting minimum mandated standards, regulation gives consumers the confidence to try something new. The third way in which regulation is good for an economy is precisely in its protection of consumers.

Regulation is needed to protect the legitimate interests of businesses and the community. ... If the regulatory system unnecessarily impedes business innovation, they may not adopt new technologies to grow and create jobs. In a rapidly moving digital economy, getting the balance right is harder than ever.

The government, therefore, decided to disburse billions of taka as allowance and aid to poor and different groups of people through MFS channels. According to the finance ministry, it has a budget of Tk 955.74 billion (95 thousand and 574 crore). A total of 123 social safety net programmes under various ministries are in operation in the fiscal year 2020-21, including seven new ones.

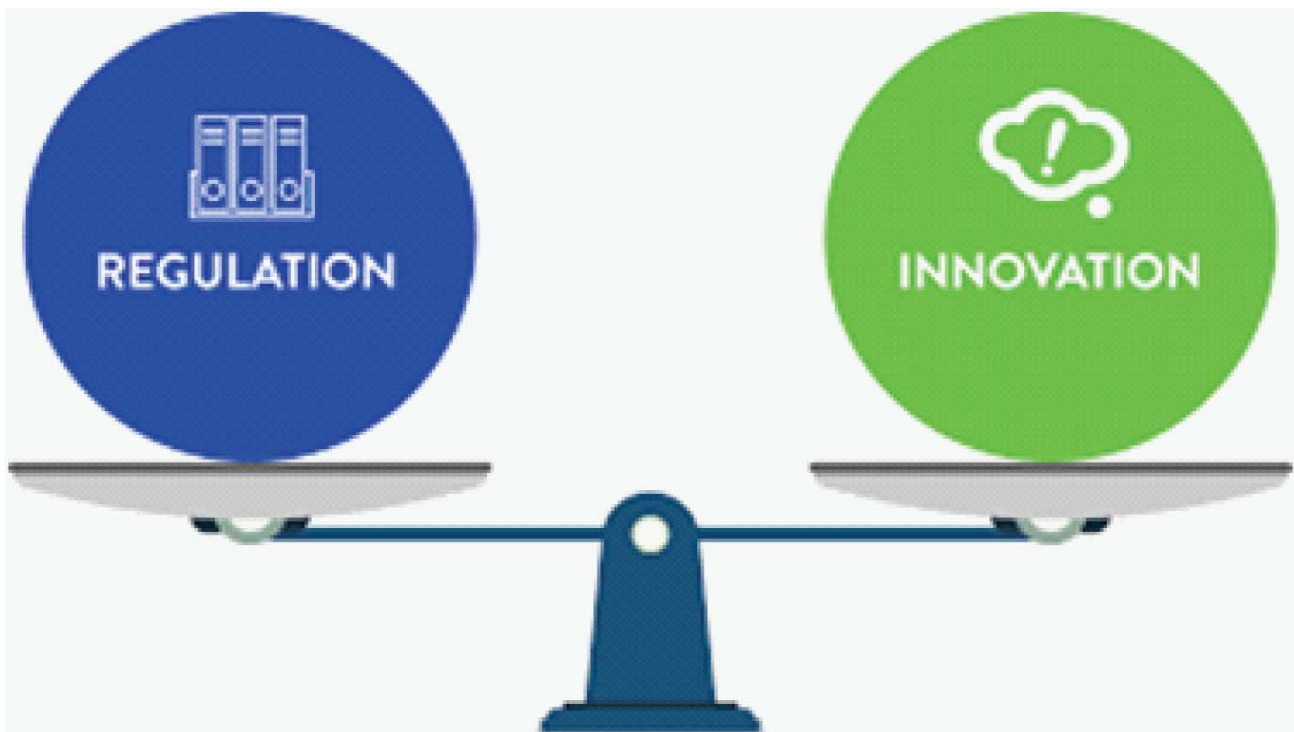
Lack of regulatory compliance in digital transactions allows inefficiency in operations, which is another concern for all who believe that mobile financial service (MFS) is the ultimate option for Bangladesh government to ensure smooth, transparent and quick disbursement of its funds to poor people mostly living in remote areas.

Digital innovation is giving rise to new business models. bKash, Uber, pathao and Shahoz are household names today, when not so long ago we were all learning about the sharing economy. The regulations don't always evolve as quickly as technological change - at least that's the perception.

Sensible, evidence-based regulations that respect the fundamental role of free-market competition can provide vital public benefits - such as protecting the environment, public health and safety, civil rights, consumers, and investors. In Bangladesh, the government promotes digital payment innovations through various policy options supports. Now, it is the responsibility of innovation players and concerned regulators to ensure a conducive regulatory environment and consumer rights protection.

From its part, the government has been promoting digital payment innovations through pragmatic policy measures as well as its fund disbursement through MFS channels. In the pandemic time, the government distributed billions of taka among millions of people through MFs operators. The government uses MFS channels to disburse cash aid under its social safety net among 8,850,000 beneficiaries.

A database of the beneficiaries is being created to provide the allowances electronically through the G2P method using the management information system (MIS) software. But nearly 7.6 million poor people failed to receive allowance in 6 months due to the digitisation process, according to an inquiry report of





Department of Social Services. Digital accounts of half of the beneficiaries have already been created.

However, a decision has been taken to provide allowances in the G2P (government to person) method through mobile financial service. The ministry officials hope to pay all the pending allowances at a go before the Eid-ul-Fitr once the digital accounts of 80 to 90 per cent of the beneficiaries are created.

The government allowed Nagad - the digital financial service of the postal department of Bangladesh to disburse 75 per cent of stipend funds and allowances for educational accessories among 86, 452 primary school students. As Nagad is not under financial regulations, the incidents of frauds in its stipend fund disbursement has depressed both policy makers and market players.

Finally, according to published reports, the government has asked Nagad to disburse stipend money through Sonali Bank treasury to millions of students across the country. The disbursed stipend money will remain idle for 15 days in Sonali Bank treasury. The education ministry has requested CID police to investigate the fraud incidents and also asked Nagad to stop frauds in stipend disbursement and follow rules.

The decisions were taken at a recent high level inter-ministerial meeting held this month virtually. Post and Telecom Minister Mustafa Jabbar, Md. Mahub

Hossain, Secretary of Secondary and Higher Secondary Division, Ataur Rahman Prodhon, Managing Director of Sonali Bank, Tanvir Mishuk of Nagad and other high government officials took part in meeting, ministry sources said.

Consumer trust vital to keep MFS growth

Mumtaz Bawa, 68, lives in the North Bishil Balur Math slum in the capital. She has been receiving the old age allowance for the last four years. However, this allowance has been stalled for the last six months, according to a daily.

Ambia Khatun, 63, a resident of South Paikpara in Kallyanpur area, is also facing a similar problem. Rabbi Islam, 15, son of a garment worker couple from the same area, has been receiving disability allowance for more than two years. His allowances too, have been stalled, his mother Fatema Begum told the daily.

They went to the bank to inquire about the delay, but could barely understand the explanation of the concerned officials. However, they were told that "their money will not be plundered."

An inquiry at the Department of Social Services into the reason behind public allowances being held up, revealed that the allowances under the social security programme have been stuck for six months due to the

digitisation process. Digital accounts of half of the beneficiaries have already been created.

Farid Ahmed Molla, additional director (social security programme) of the Department of Social Services, told the daily that a decision has been taken to provide allowances in the G2P (government to person) method through mobile financial service. They are hoping to pay all the pending allowances at a go before the Eid-ul-Fitr once the digital accounts of 80 to 90 per cent of the beneficiaries are created.

But the industry experts say the recent incidents in government fund disbursement - both stipend and allowance is in quandary. Consumer trust on digitalisation has been eroded, which sparks red alerts to the digitalisation process of the government and Bangladesh journey towards a cashless society for a better Bangladesh.

Trust is considered to be as one of the essential prerequisites for the successful development of relationships. Trust acts as a mediator in building long-term relationships/promoting customer loyalty. Innovation often leads to consumer frightening, which in turn leads to distrust. For this reason, it is challenging to build consumer confidence in mobile banking.

Mobile banking is a fast-paced service. Trends in mobile technology development are tied to innovations. Therefore, it is necessary to identify the factors that determine consumer confidence in mobile banking, as many researchers argue that trust is a factor determining the continued use of mobile banking by consumers.

Most vital factor affecting private clients' trust in mobile banking is customer characteristics, especially customers' computer literacy. However, after summarizing all the subfactors, it became clear that the most powerful in the trust-building process is convenience/practicality of using a mobile application.

The bottom line

The widespread use of smartphones in Bangladesh has led more consumers to conduct financial transactions and other banking activities on their mobile devices. Here, consumer trust plays an important role in the development of long-term relationships in online environment between banks and its customers. So, policy makers should not allow any in-efficient and bad players to play in this highly sensible landscape.

Because, a bad apple can spoils the whole barrel.



World tech cos see Bangladesh as the best destination

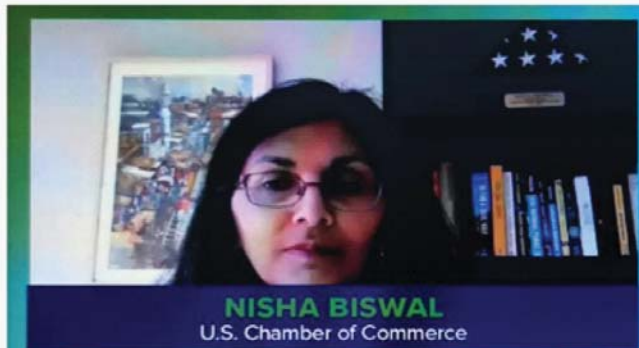
Sajeeb Wazed Joy

Prime Minister inaugurated US-Bangladesh Business Council. bKash is lauded internationally

Express Report

Sajeeb Wazed Joy, ICT Adviser to the Prime Minister of Bangladesh has lauded the impressive performance of

bKash in nation's ongoing development process noting that international quality technology companies are choosing Bangladesh as the best destination for them due to infrastructure and policy support.



He was addressing the inaugural function of US-Bangladesh Business Council in the city through a virtual conference in participation with national experts and multinational entrepreneurs.

Prime Minister Sheikh Hasina has inaugurated the US-Bangladesh Business Council with her hopes that the new trade council, initiated by the US Chamber of Commerce, will serve as a major platform for attracting foreign direct investment (FDI).

The virtual program was hosted by Nisha Biswal, Former US Assistant Secretary for South and Central Asian Affairs and President of the US-Bangladesh Business Council.

Commerce Minister Tipu Munshi, Prime Minister's Principal Secretary Ahmad Kaikaus, Former US Ambassador Marcia Bernicat, US Ambassador Earl R. Miller, Bangladesh Ambassador M. Shahidul Islam, FBCCI President Sheikh Fazle Fahim and Uber CEO Dara Khosrowshahi were also present at the event.

Representatives from world renowned corporate companies like Chevron, Walmart, General Electronics, MetLife, Facebook and ShopUp spoke at the event.

Prime Minister remarked that it is important for both the countries to provide adequate policy support for the expansion of bilateral trade. She said, the launching of the US-Bangladesh Business Council reflects the growing interest of the US business community about investment and doing business in Bangladesh.

In his speech, Sajeeb Wazed Joy, ICT Adviser to the Prime Minister of Bangladesh highlighted the positive impacts of the government's Digital Bangladesh initiative.

Noting that international quality technology companies are being set up in Bangladesh due to infrastructure and policy support, he said.

"Today, Bangladesh has a rapidly growing IT entrepreneurship sector. We have many start-ups in Bangladesh such as Pathao and bKash which are now recognized worldwide."

On the occasion of the inauguration of the Council, Kamal Quadir, Founder and CEO of bKash, along with the top executives of US multinational Excelebrate Energy and MetLife, participated as panelists in the discussion titled 'The Future of Bangladesh's Economy: Mapping the Next 50 Years Growth'.

Referring to the global recognition of bKash, Kamal Quadir said, the government's Digital Bangladesh initiative, central bank's regulatory guidelines, investment from world-renowned companies and strong mobile network infrastructure have enabled bKash to contribute exponentially to the country's financial inclusion.

Talking about the future opportunities of foreign investment, Kamal mentions that Bangladesh has already had the right policies, strong digital infrastructure, effective payment system and political stability, which can bring expected success in coming days. ■

Rural e-commerce urgent to build Digital Bangladesh

Express Report

Digital Bangladesh would not be successful without adequate physical infrastructure and digital highway connecting rural areas to cities and towns, industry experts and entrepreneurs said at a recent webinar this month.

They said major small and medium enterprises (SMEs) are operating outside urban areas. If they are not connected with well-organised logistic support, supply chain and digital highway, SMEs would never be able to contribute to the expected level of Digital Bangladesh.

The e-Commerce Association of Bangladesh (e-CAB) organised the conference titled 'Rural to Global Ecommerce Policy Conference-2021'.

Speakers said that Bangladesh still faces challenges like lower rate of smartphone penetration, exorbitant mobile data price to make Digital Bangladesh a truly success. This has been aggravated due to lack of physical infrastructure and business-friendly policy of expansion of e-commerce in rural areas.

Business initiatives in rural areas should be included into a database so that their products could reach the entire country through digital commerce, they noted.



e-Cab fair 2019 in the capital city

The discussion was presided over by e-CAB president Shomi Kaiser. Local government and rural development minister Tajul Islam opened the first session of the policy conference where senior commerce secretary Hafizur Rahman presented a keynote.

Post and telecommunications minister Mustafa Jabbar said mobile internet prices have reduced significantly over the years, but it is still not affordable in rural areas.

Access to smartphones and affordable internet connection are crucial for rural digital commerce.

"We'll work on policies so that the locally manufactured smartphones become more affordable for rural users," he said.

The minister said postal division would play its role through helping digital commerce to grow.

Post and telecommunications division secretary Afzal Hossain said the country is at a preliminary stage in e-commerce. But it's growing rapidly.

Without rural connectivity, he said, it would not reach an expected level.

State minister for ICT Zunaid Ahmed Palak said participation in F-commerce or Facebook commerce in Bangladesh is rising at a significant rate.

At least 4,00,000 new entrepreneurs are associated with F-commerce, he said, adding that Bangladesh Bank is going to arrange loans at 4.0-per cent interest for them alongside small businesses linked with start-ups.

Mr Palak said the issue of deregulation along with the regulation of online infrastructure needs serious consideration for new innovations.

He also praised the proactive role played by the e-CAB

during the pandemic and highlighted various initiatives taken by the government.

Dr Zafar Uddin, senior commerce secretary, was present at the event as the special guest.

He said commerce ministry is working on implementing the digital commerce policy for which a digital commerce cell has also been formed.

"The Digital Commerce Management Guideline-2021 is being finalised and the ministry is considering the inclusion of social media commerce entrepreneurs."

Obaidul Azam, chief executive officer of BFTI, said a registration process for social media-based entrepreneurs as an alternative to a trade licence would boost consumer confidence and pave the way for cooperation with the larger entrepreneurial world.

Farah Md Naser, deputy governor of Bangladesh Bank, said if an escrow facility of Bangladesh Bank is implemented, it will create a safety barrier for buyers making online payments.

Complexities over cross-border e-commerce payments would also be resolved, he observed.

Sayed Mohammad Kamal, country manager of MasterCard, said the growth in online transactions over the past year needs to be sustained.

"This situation will improve further if certain benefits for card users in financial transactions are ensured," he added.

BASIS president Syed Almas Kabir said e-commerce should be brought under a fair rule.

"If there is a 'bad apple' here, it should be removed and the action plan should be laid out by focusing on gaining the confidence of consumers." ■



UCB launches instant account opening app 'Uclick'

Express Report

United Commercial Bank (UCB) launched the digital customer on boarding platform 'Uclick' following Bangladesh Bank's e-KYC guidelines.

Through Uclick, any Bangladeshi citizen aged 18 years or above can open an account at United Commercial Bank anytime and anywhere using his/her valid NID card with easy steps and in a very short time, said a press release.

Moreover, a customer can open an account through

Uclick without coming to a branch. One can use it regularly by activating it at the same time.

Besides, the customers can open their accounts themselves and make an initial deposit through the same app.

UCB hopes that this initiative will easily meet the needs and requirements of the customers.

Moreover, Uclick can now be used with the web version as well as the mobile app, the statement added.

Safiul Alam Khan appointed as MD of Pubali Bank

Express Report

Safiul Alam Khan Chowdhury has been appointed as managing director and chief executive officer of Pubali Bank Limited.

He was serving as additional managing director of the bank from January 1, 2016, the bank said in a press statement.

Safiul Alam Khan Chowdhury, a post-graduate with honours



from Dhaka University, joined Pubali Bank in 1983 as a probationary senior officer.

Chowdhury held the position of head of the credit committee of head office, general manager of various divisions, head of corporate branches, and head of Dhaka North Region and deputy managing director of the bank, the statement added.

bKash initiative to spread Bangabandhu's ideals among students

Express Report

To spread the ideals of the great leader Bangabandhu Sheikh Mujibur Rahman among the students, bKash will distribute 20,000 copies of graphic novel 'Mujib' in 500 Bengali and English medium schools across the country this year.

The country's largest mobile financial service provider

has taken this initiative to mark Mujib's birth centenary and the golden jubilee of the independence of the country.

The graphic novel 'Mujib', published by Center for Research and Information (CRI) based on Bangabandhu's autobiography 'Oshomapto Attojiboni' ('The Unfinished Memoirs'), will be distributed in schools by Bishwo Shahitto Kendro (BSK), an organization well known for enlightening minds.

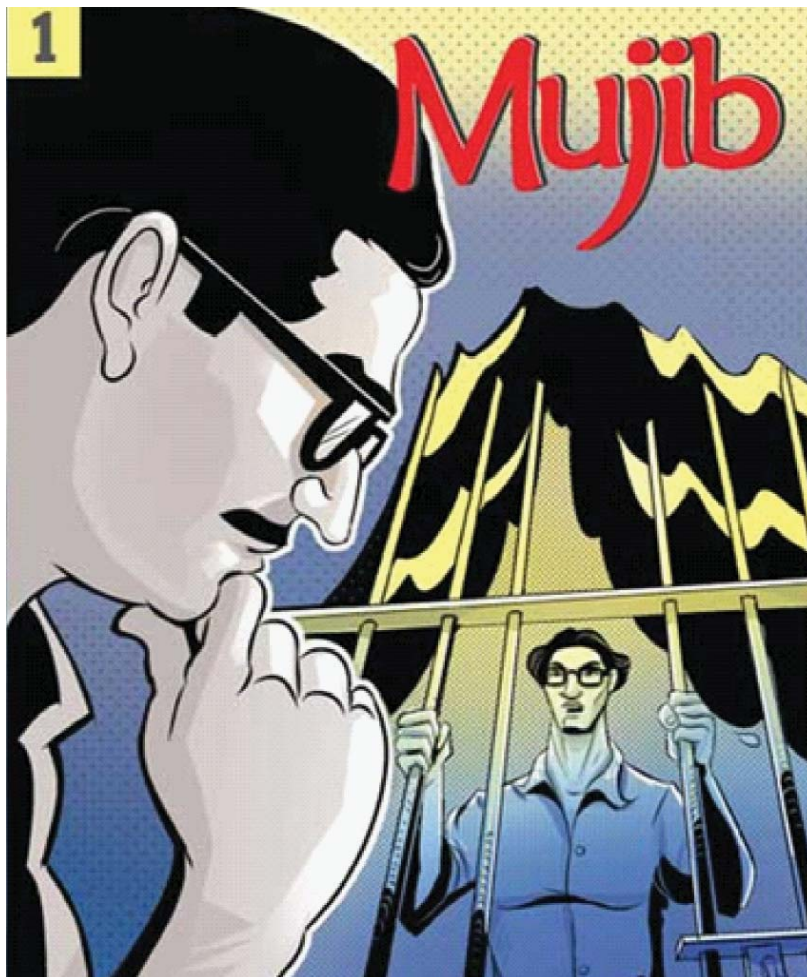
bKash will expand the program with support of BSK to more schools along with the existing ones after the publication of next editions of the graphic novel.

Professor Abdullah Abu Sayeed, the artisan of creating enlightened minds and the founder of Bishwo Shahitto Kendro, inaugurated the project by handing over the books to the school representatives at BSK Auditorium in the city recently.

Kamal Quadir, Chief Executive Officer of bKash; Arif Khan, trustee of Bishwo Shahitto Kendro and Major General Sheikh Md Monirul Islam (retired), Chief External and Corporate Affairs Officer of bKash were present on the occasion.

The graphic novel 'Mujib' depicts direct experience of Bangabandhu's childhood, adolescence and social and political activities in a format suitable for both children and adolescents with a vibrant combination of dialogues, stories and illustrations.

Graphic novel 'Mujib' will give readers of all ages the opportunity to know





20,000 'Mujib' graphic novels in 500 schools will be distributed by bKash

more about Bangabandhu, the greatest Bengali of all time and the architect of the sovereign Bangladesh.

5 sets of the graphic novel which means a total of 40 books will be given to each of the 500 Bengali and English medium schools across the country. As a result, 40 students will get the opportunity to read the book from school library at the same time.

In his inaugural address, Professor Abdullah Abu Sayeed said, "bKash has vested the responsibility on us to spread the biography of the greatest leader of our nation to the children. Bangabandhu's vigor, visionary nature, ability to dream big, unwavering devotion to be faithful, extraordinary personality and love for the people are exemplary for us.

He said bKash's initiative to spread the book in schools across the country has created an opportunity for students to know more about our father of nation. Let Mujib open the pages of wisdom in our hearts, let Mujib awaken everyone's blood - I have this dream."

Bengalis were lucky to have a Sheikh Mujib, without whose thunderous voice, impeccable courage and extraordinary leadership, Bangladesh might have taken another 500 years to become independent.

Kamal Quadir, CEO of bKash, said that the autobiography written by Bangabandhu while he was imprisoned is a historical document for us.

"In his memoirs, Bangabandhu presented many important chapters of history very passionately and sincerely. The way he laid the foundation of leadership is exemplary for today's children and teenagers".

"The graphic novel 'Mujib' is a unique initiative to make these exemplary stories more attractive to future generations. bKash is proud to be a partner of this initiative to celebrate the birth centenary of Mujib and the golden jubilee of our independence."

bKash CEO said the relationship of bKash with book donation is remarkable from its inception. As a responsible corporate organization of the country, bKash has provided 253,600 books to 3.2 million students from 2,900 educational institutions since 2014 to cultivate the habit of reading books among next generation.

In 2020 Book Fair, bKash collected books from visitors, donated from its own fund and distributed all 7,500 books among the underprivileged children through Obhizatrik Foundation.

The MFS provider offered cashback at book fair for the last eight years to encourage people to buy books. bKash has also been working with Bangla Academy as the key sponsor of Ekushey Book Fair for the last four years. ■



BB raises mobile banking transaction limit

Express Report

Bangladesh Bank has raised the person to person mobile banking transaction limit to help people transfer money with ease during the countrywide seven-day lockdown started from April 5.

It has raised the monthly transaction limit to Tk 2 lakh from Tk 75,000 and omitted the fees for transactions up to Tk 40,000. However, it has set the highest limit for each transaction at Tk 10,000.

The banking watchdog introduced the changes through

a notice today, which will be applicable on bKash, Nagad and Rocket and different offers launched by the three mobile financial service providers.

However, they are given go-ahead to provide additional benefits under different campaigns if they want.

The central bank has also ordered the authorities concerned to ensure that internet banking services are active round the clock, automated teller machines have enough money and hygiene is properly maintained. ■

MFS clients soar despite Covid restrictions

Since Covid-19 emerged, Mobile Financial Service (MFS) providers witnessed a tremendous surge in the number of customers as it added around 1.80 crore clients in 11 months from March 2020 to January 2021, taking the number of registered clients to 10.06 crore.

The central bank data show that the transaction through mobile phones was Taka 5,35,249.3 crore during the 11 months from March 2020 to January 2021 which was Taka 4,10285.5 crore during the previous 11 months from March 2019 to January 2020.

Bringing innovation and technological integration to the table, the country's MFS operators are now providing different services, including sending money, cash-in, cash-out, salary disbursement,

donation for the poor, stipend disbursement, remittance, payments for different government services, toll payment, credit card bill payment and insurance premiums.

Experts on the MFS observed that the peoples' tendency towards the digital platform during the Covid period, paperless banking, simplification of the MFS services, upgrade of digital infrastructure of commercial banks and allowing utility service payments are the main factors for the growth of the MFS in Bangladesh.

They mentioned that the countrywide lockdown has become beneficial to digital banking as people became familiar with the online and mobile service payment systems, resulting in the huge growth.

BTCL's 'Alaap' app recharge easy through bKash

Express Report

Bangladesh Telecommunications Company Limited (BTCL) has launched its own over-the-top (OTT) calling and messaging app Alaap, which can be recharged easily through bKash to enjoy uninterrupted service 24/7.

With the app, users can make calls to any mobile or landline number at 30 paisa per minute, according to officials of bKash Limited.

Users can call or chat with another Alaap user free of cost using the internet. Once the app is installed, a user will own a new Alaap number nearly matched with current mobile number.

The app is available on Google Play Store and Apple App Store. After downloading the app, customer can open an account with mobile number and National Identity Card (NID).

To recharge, customer needs to select bKash from 'Recharge' option of the Alaap app and enter the amount in next step. Then customer needs to enter bKash number, OTP and PIN at bKash payment gateway to complete the recharge.

Users can call or chat with another Alaap user free of cost using the internet. Once the app is installed, a user will own a new Alaap number nearly matched with current mobile number.

Customers are also availing mobile recharge service for all mobile operators of the country through bKash, 24/7 from anywhere. Especially during the pandemic, bKash mobile recharge is ensuring uninterrupted voice and data service for them while staying at home.

Millions of customers regularly recharge their mobile phones as they have the facility to buy different packages from any place at any time depending on their preferences, bKash officials said. ■

BTCL
দেশ ও মানুষের সেবায়

আলাপ

বিকাশ

আলাপ অ্যাপে
ব্যালেন্স রিচার্জ
বিকাশ করুন

কম খরচে কথা বলুন

আলাপ

আমার আকাউন্ট

সেটিংস

রিচার্জ করুন

জন্মেস প্যাকেজ

ব্রেইটস

জন্মেস খেইল

ফোরেল

নিউজ ফিড

সাহায্য



Students of UIU can pay feesthrough bKash

Express Report

From now, students of United International University (UIU), one of the leading private universities of the country, will be able to pay their admission, tuition and other academic fees through bKash.

This service will facilitate 10 thousand students of UIU to pay all types of academic fees 24/7 from anywhere. Especially during the pandemic, this service will help students and their guardians to avoid standing in long queues.

The new collaborative service was launched recently at the university campus in the city after signing an agreement between UIU and bKash Limited in this connection, says a press release.

Dr. Chowdhury Mofizur Rahman, Vice Chancellor and Dr. Mir Obaidur Rahman, Treasurer of UIU; Ali Ahmmed, Head of Strategy and Business Development and Md. Mahbubur Rahman Chowdhury; Deputy General Manager, Education Payment of bKash along with other high officials of both the organizations were present in the function.

This service will facilitate 10 thousand students of UIU to pay all types of academic fees 24/7 from anywhere. Especially during the pandemic, this service will help students and their guardians to avoid standing in long queues at the bank counters and pay academic fees safely without any hassle.

At the same time, this enables cost minimization and better management of fees for the university authority.

With this, bKash makes the fee payment of 600 educational institutions convenient, secured, time-saving and cost efficient. ■

Electronic payments surged for banks in 2020



Express Report

Digital payments have clearly been catching on with the annual volume climbing by more than a billion annually in each of the past six years and the annual value growing by more than 1 trillion in each of the last eight years, according to the Nacha report issued last month.

That means that last year the payment volume equaled about 81 payments for every person living in the U.S., the organization said.

The rise in transactions was driven last year by increased business and consumer payments shifting online as the pandemic kept people working and shopping from home to avoid transmission of the coronavirus. While digital payments have been gaining traction for years, the pandemic supercharged the transition.

Nacha, which oversees the automated payments network and has roots reaching back to 1968, said

credit volume rose about 12% to 11.6 billion transactions valued at about 40.2 trillion whereas debt volume rose a lesser 5% to about 15.2 billion payments for about 21.7 trillion.

The value of transactions for both increased about 11%.

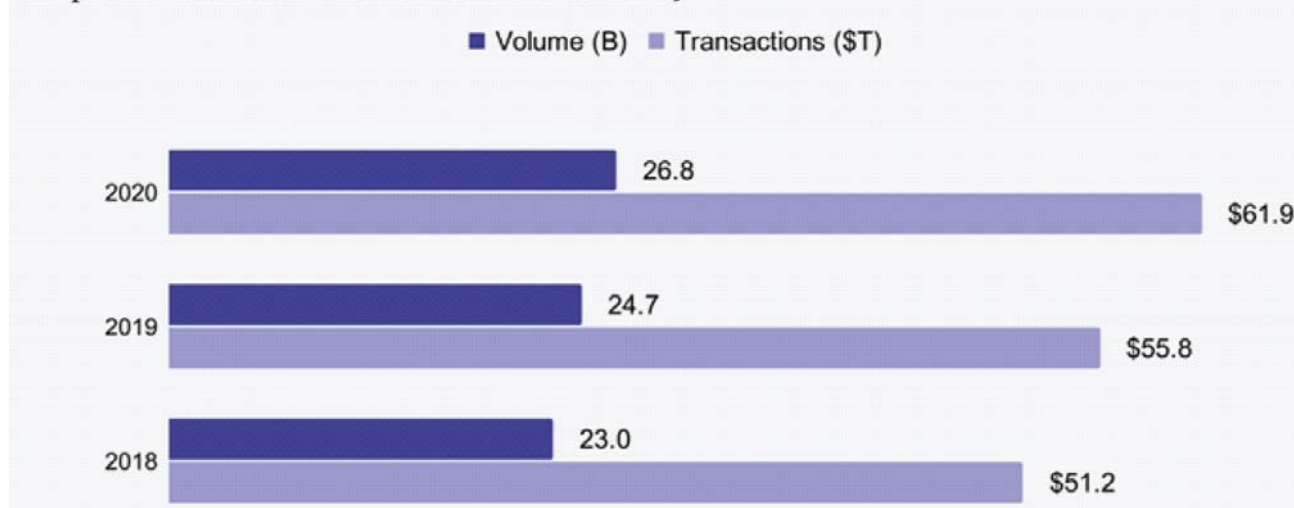
The biggest dollar value payment area last year was in direct deposit payments where 8 billion was passed, with a 12% jump over 2019, but that was closely followed by 7.7 billion in payments over the internet in a 15% increase in that area, likely reflecting the surge in online shopping last year.

But the biggest rate of increase of the five categories Nacha tracked was in person-to-person payments, which increased a whopping 42.2% to 217.6 million.

However, Nacha noted that the pandemic has created challenges for payments companies too. "The volume increases in [automated clearing house] payments in 2020 by banks and credit unions are truly remarkable

Electronic payments have risen the past 3 years

The pace of the increase accelerated amid COVID-19.



given the challenges posed by the pandemic," Nacha Senior Vice President Michael Herd said in a March 30 release accompanying the report.

While there wasn't much change in the order of the top-most banking players last year, there was some movement in the mid-tier. Fifth Third Bank, with a 38.1% jump in originating volume, moved into the no. 8

slot last year, up from no. 9 in 2019, while USAA Federal Savings Bank, with a nearly 25% increase in receiving volume, edged up one notch into the no. 7 position in that group.

The top 50 originating banks account for about 93% of the payments volume while the top 50 receiving banks account for about 61%, Nacha report said. ■

AI is the Future, and the Future is Now

Express Report

At the beginning of the pandemic, everyone expected things to go back to normal after a two-week shutdown. Over a year later, nearly everything in our day-to-day operations has changed, and that includes how we interact with financial institutions (FIs).

Because COVID-19 made it difficult for consumers to venture out and run their usual errands, FIs needed to find other ways to provide their services. The only way for them to really keep up with the speedy digitization was through the implementation of AI systems.

To further discuss all things AI, PaymentsJournal sat down with Sudhir Jha, Mastercard SVP and head of Brighterion, and Tim Sloane, VP of Payments Innovation at Mercator Advisory Group, according to from Payments Journal.

AI-based banking tools

Jha believes that there were two fundamentally big changes that occurred in banking during the pandemic: the environment began constantly shifting, and person-to-person interactions were abruptly limited. "Every week, every month, there were different ways that we were trying to react to the pandemic," explained Jha. This impacted virtually every aspect of FIs' operations.

Companies were forced to take a more digital approach in a very short period of time. While this was something they were working toward pre-pandemic, the pandemic significantly increased the number of ways for people to connect remotely.

"When you are trying to provide the same kind of experience that you were able to do in a physical space-you're trying to do that in digital space-you need AI to really capture the essence of the interaction and personalize that interaction for the

customer that you're interacting with," added Jha. "An AI is able to do that. It's able to sort of ingest all this data in real time and mimic how a human being is going to react to certain situations."

AI can also adapt quickly to changing conditions, such as increased data being entered into the banking systems. It can then use its capabilities to predict behavior, not just for a particular customer, but for the entire ecosystem. Based on these predictions, AI can provide smarter and faster tools for FIs and their customers.

Sloane noted another change: an increase in coordinated criminal activity. "[Cyber criminals] made a business out of creating new attacks, and exploiting those attacks are effective at scale. They hire gig workers to help execute [these] attacks," explained Sloane. "They're really going at this in a big way." Because of the increase in data, they have more personal information on consumers than ever before, and AI is a critical component in getting and keeping cyber-attacks under control.

AI can better detect credit risk

Pre-pandemic, FIs already had plenty of information on their customers. With this information, banks were able to put in place some standard rules for screening them. Since then however, the amount of data available has grown exponentially.

So what are banks to do with all this data? If FIs want to compete in this newly evolved environment, the answer is AI.

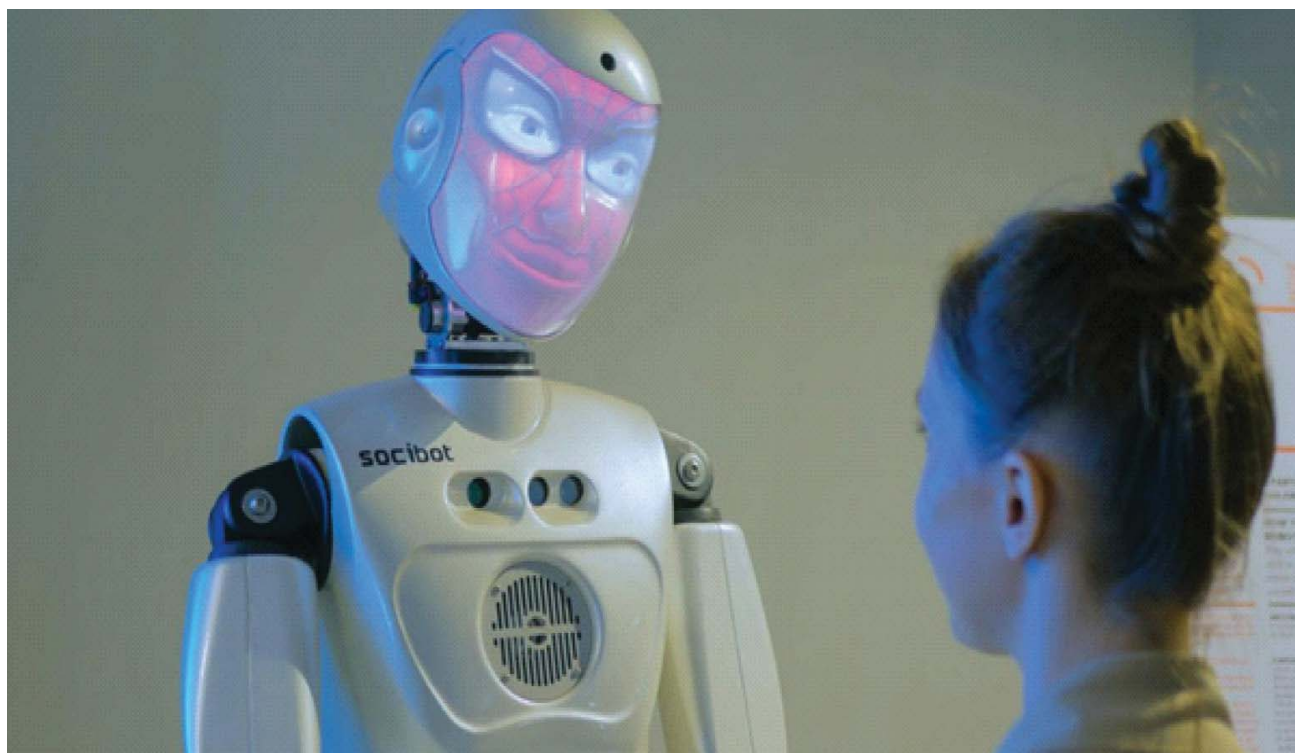
"With AI, [FIs] can, in many cases, create features by combining data in very interesting ways, and [there are] exponential ways that [they] can do that," said Jha. One of these new features is an updated and more intricate credit risk model. Using AI, banks are able to optimize a number of different outcomes while considering factors that may have been overlooked in the previous model, such as default rate, profitability per customer, and increased credit limits for certain individuals.

"What AI also does much better than the traditional models or rules based systems is the ability to learn from other people's data, even competitors' data, without transferring the data itself," continued Jha. FIs can now transfer the learning from different data sets, making it unnecessary to actually share the data. Additionally, AI can better prevent fraud than the previous methods used.

How to use AI to minimize late payments

A major focus of Brighterion's solution is the uniqueness of each individual customer's experience. This includes excellent risk management, from delinquency to collection, which spans across the customer's lifecycle. "It's not just [about] identifying





[a] bad consumer, the consumer that actually is going to default, but really understanding how we can enhance the customer experience and the entire journey," said Jha.

Mastercard considers these three questions when finding solutions for minimizing late payments:

1. How do we make sure the bank knows how much credit to give a customer?
2. When is it justifiable to give a customer more or less credit?
3. How do we predict delinquency early?

The focus is not on predicting delinquency right before it's about to happen, but rather, predicting the majority of delinquency 70 days in advance. This gives the FI an ample amount of time to work with the customer and perhaps avoid delinquency altogether. A plan of action can then be put in place, allowing the customer to set up an installment plan, increasing the odds that they will never reach the point of late payment.

"AI itself may not be able to eliminate default or eliminate late payments, but it can actually provide the tools, to both the consumer and to the banks, to be able to come to a situation where [they] can be much more proactive about these things, and therefore, work out a situation that allows the customer to be happy. And the banks will be happy because they minimize the losses from these situation," concluded Jha.

Fact vs. Fiction: Myths surrounding AI adoption

The power of AI seems magical, so it's no wonder some people have trouble trusting it. But at Mastercard, and particularly Brighterion, "explainability" is the goal. This means that "every outcome, every signal that we produce, every recommendation that we give from the model, we want to make sure that we can provide a region code for it," expanded Jha.

For example, Mastercard does not just tell a customer that a particular score they looked at for a credit decision was high or low; they will provide a variety of reasons for what led to that score. With more research happening all the time, these AI algorithms become increasingly explainable, something that is a critical asset for adoption.

A popular myth that the industry has seen and mostly debunked is that AI systems are too expensive and a number of highly qualified data scientists are required to incorporate AI solutions. Perhaps this myth used to hold some validity, "but we have overcome that," assured Jha. "With many different platforms that are available today, solutions are almost ready to be implemented with very small changes."

To put customers at ease, Mastercard can build custom models for them in a short period of time, for example, its 8-12 week program that provides a clear picture of the Return on Investment (ROI) before

implementing these solutions. This lets the customer know exactly what they are getting into.

Lastly, some FIs still believe that it takes a long time for AI models to change. "During the pandemic days, we would get asked this all the time, how quickly [Mastercard] can adapt, because things are changing," remembered Jha. "And all the data elements that were from before, for example, when most institutions gave three to six months of offset of no payment necessary. All the payment history that

could be used for character prediction couldn't be used [anymore]." The models had to react to this situation, and they had to do it quickly.

To combat this, Mastercard used a mixture of techniques, combining many different models to create results. It also used a variety of data sources and velocity signals, most of which are able to adapt in an efficient manner. So while there is a bit of truth to some of these myths, there is always a solution in place to combat and ultimately debunk them. ■

Are Bitcoin ATMs the right choice for retailers?

by Fardin Ishrak Ahmed

Bitcoin ATMs or BTMs are already spreading across the U.S. and the world. Retailers however, might be wondering if Bitcoin ATMs are right for them. To uncover the answer to that question, we need to take a look at the origins of BTMs, some challenges they have dealt with and what opportunities they provide.

Since Bitcoin's beginnings in 2009, the currency has rapidly picked up steam, garnering the attention of everyone from investors to retailers to consumers. As a result, the demand for Bitcoin ATMs, tools which enable easier Bitcoin purchasing, has risen.

Bitcoin ATMs or BTMs are already spreading across the U.S. and the world. Retailers however, might be wondering if Bitcoin ATMs are right for them. To uncover the answer to that question, we will need to take a look at the origins of BTMs, some challenges

they have dealt with, and what opportunities they provide.

Bitcoin ATMs first began showing up in 2013 and 2014, with the very first one appearing in a coffee shop in Vancouver, Canada in 2013, according to a report by the BBC. America followed suit, with the first Bitcoin ATM showing up at a cigar bar in Albuquerque, New Mexico in 2014. However, it didn't last long as it was removed 30 days after its initial deployment, according to a report by CNET.

Bitcoin ATMs have grown far beyond their humble origins in 2013, as there are now more than 14,000 such devices in the world, according to Statista.

Old challenges

Bitcoin faced a multitude of challenges from the moment it first emerged in 2009. On one level was



simply lack of understanding or knowledge as to what exactly it was. On another level, there were also issues with finding resources on how to properly acquire and use Bitcoin.

Bitcoin also faced a major reputation problem, as many associated it with crime, since many hackers, drug smugglers and money launderers used it for its less traceable nature.

"As a Bitcoin ATM Operator, some of the challenges in the beginning were understanding the new technology behind Bitcoin. It was still so new that resources for learning were limited. Another major challenge was educating retailers on the benefits of hosting a Bitcoin ATM in their stores," Ayman Rida, CEO, Cash2Bitcoin, said in an email.

New opportunities

In recent years, however, Bitcoin has had many new opportunities to flourish, and along with it, so did Bitcoin ATMs. For example, its value has exploded in recent years, going from a few dollars to now well over \$50K, according to Coindesk's bitcoin tracker.

"Bitcoin is becoming more acceptable by financial institutions and corporations as it recognized as a legitimate asset class. Bitcoin has outperformed every other asset class in the world over the past decade. As more companies adopt Bitcoin acceptance, transactions will increase, which in turn, will expand Bitcoin ATM deployment," Rida said.

Bitcoin ATMs are also seeing a big uptick in business since COVID-19 started, as many customers invested their money into Bitcoin due to economic uncertainty.

"We have seen an increase in sales since COVID-19 started. In fact, most of our growth happened during the pandemic," Rida said. "Consumers were buying more Bitcoin than ever in 2020, probably since spending options were limited due to stay at home orders. So far 2021 has seen especially high sales again."

Retail makes it big

Rida has watched the industry grow since Cash2Bitcoin launched in 2017 in Detroit. His team has installed Bitcoin ATMs in 10 states, and Rida believes one of the draws of Bitcoin ATMs for retailers is that is a hassle-free product with zero maintenance required on their end.

In addition to these benefits, Bitcoin ATMs can also help boost the bottom line for retailers.

"Retailers will see an increase in traffic to their stores. They will also see new faces because we have seen customers drive as far as 1.5 hours to come to our Bitcoin ATMs," Rida said. "We do see a large amount of repeat customers coming back to the same location. This benefit is in addition to the monthly compensation retailers earn for hosting Bitcoin ATM."



A Cash2Bitcoin client mentioned that the Bitcoin ATM has already made them a lot more money than the newspaper stand that was previously in its place.

Retailers also receive a big financial benefit from Bitcoin ATMs, since they get a flat monthly rate regardless of the number of transactions.

"With traditional ATMs, the merchants earn profit based on the number of transactions so if they don't get a lot of customers using the ATM, the merchants don't make a lot of money. With Bitcoin ATMs, merchants are paid a flat monthly rate even if transaction and sales volume are low," Rida said.

However, some retailers may be concerned that they may have to do a lot of work to keep the Bitcoin ATM up and running. With Cash2Bitcoin, however, the process is a lot easier.

Cash2Bitcoin's website emphasizes that retailers don't have to handle any of the backend operations such as maintenance or customer service, since it handles all of that.

"Our ATMs take up very little floor space and don't require any of your attention. We do all of the dirty work," Cash2Bitcoin's website states.

What about the consumer?

Some retailers may ask what benefit there is for its actual consumers. Why would they want to use a Bitcoin ATM?

Rida emphasizes that cryptocurrency is a great investment for consumers. "History has proven that the value of Bitcoin is on the rise and has become a leading choice for both consumer and corporate investors. Cryptocurrency also provides services for the underbanked and for those who do not have access to a bank account." ■