



GUIDELINES FOR MOBILE BANKING OPERATIONS OF MICROFINANCE BANKS / INSTITUTIONS

Areas to be Served

- ❑ Areas / Locations within District / City Government limits in which the bank has a licensed branch or areas/location within a radius of 50 Kilo Meters of the licensed branch could be covered through mobile banking. The MFBs shall design the mobile banking operations in a way, which ensures cost effectiveness and financial viability of the operation. In addition to provision of banking services through mobile teams/vans, the MFBs with prior permission in writing from SBP may also open small outlets/service centers within the above-defined area of the licensed branch to provide a local contact point to the clients. The service centers shall have minimum infrastructure manned by 2-3 bank staff and shall inter alia be mandated to a) create awareness in the area about banks' products b) form community organizations/groups and c) provide loans to the clients. The Service Centers shall not offer savings/deposit mobilization services and will not maintain overnight record or cash. The record shall be maintained at the licensed branch under which the service center would operate. For the purpose of extending savings services, the service center may notify the date and time, once or twice in a week at which the mobile van would be visiting the service center so that the clients willing to avail savings services may deposit the savings etc. with the mobile team.
- ❑ The license to open a branch in a particular area shall also mean permission to undertake mobile banking with in the above-defined radius of the branch.

Mobile Banking Strategy & Plans

- ❑ The Bank shall ensure standardization while providing mobile banking services and shall prepare a Bank-wide Mobile Banking Strategy in consultation with its field staff highlighting its objectives, services to be offered, frequency of visits, insurance, security, control mechanisms, the operating cost and record keeping etc. A copy of the complete strategy shall be submitted to SBP for information. The strategy shall be reviewed semiannually in the light of field experiences and other developments in the sector.
- ❑ The Branch Managers shall prepare quarterly mobile banking plan keeping in view the demographic statistics of the areas to be served and the overall mobile banking strategy of the bank. He/She will assign areas to mobile teams, which will be rotated in the teams periodically. Each mobile team shall prepare weekly plans & schedule of its visits and get it approved by the branch/hub manager. The manager shall ensure that the teams' plans/schedules are in line with the branch mobile banking plan and the bank's overall mobile banking strategy and shall ensure its strict compliance. The branch and mobile team plan shall be available in the branch for review of internal /external audit teams and SBP inspection teams etc.

OPERATIONS

- ❑ Mobile banking staff shall record the details of their field visits before leaving the Bank.
- ❑ Mobile staff shall take last day's closing account balances for next day's field visit and get it authenticated by the authorized officer / branch manager.
- ❑ The Bank shall issue identification cards to the Mobile officers, which would be displayed/shown to the clients in case of need.



- ❑ While opening Deposit and loan Accounts etc., due care shall be observed in identification of Clients as prescribed under Prudential Regulations for MFBs/MFIs. The Branch Manager or his/her designated officer other than the officer who opened the account shall randomly make physical/field verification of at least 25% of the deposit/loan accounts within one month of opening of accounts.
- ❑ All cash deposits received shall be recorded on the passbook available with the depositors and similarly the collection against loans shall be acknowledged by proper receipts
- ❑ The clients shall be provided with Statement of Accounts at regular intervals (quarterly/half yearly or some other period)

SECURITY

- ❑ An armed security guard to accompany the bank officers visiting the Mobile sites.
- ❑ The net cash collected shall either be deposited in the branch of a Correspondent Bank, having account of the bank or deposited in the branch on the same day. The deposit slip and other documents used for recording various transactions during the day should also be submitted to the concerned branch on the same day.
- ❑ The field visit shall be conducted in daylight and the mobile officer will return the branch by the evening the same day
- ❑ Adequate insurance cover shall be made available for cash-in-transit, vehicles, and staff.
- ❑ The Mobile Banking Teams shall be provided with Mobile/Cellular phone facility and will be required to have all the emergency numbers of law enforcement/security agencies, hospitals, fire stations etc., to be utilized in case of any emergency &/or untoward incident.
- ❑ The schedule of visits of different mobile teams shall be kept secret by the branch manager and be divulged to the concerned mobile teams on fortnightly basis. As far as possible different routes be used by the mobile team while visiting a place more than once in a fortnight.

AUDIT & CONTROL

- ❑ All officers on Mobile duty to return to the Branch the same day by evening, and deposit the collected cash at the Branch duly acknowledged by a responsible officer. All mobile banking transactions shall be reviewed by a duly authorized officer/Branch Manager and recorded in the branch ledgers etc. on the same day.
- ❑ The bank shall use standard printed vouchers to record mobile banking transactions. It shall develop control mechanism, which should inter alia ensure safekeeping of the vouchers books, voucher books issue and utilization record and safe keeping of counter folios.
- ❑ No officer shall retain cash at home overnight.
- ❑ Internal Audit department shall develop appropriate mechanism / system to ensure compliance with the guidelines and also to minimize the risks inherent in the mobile banking operations. The scope of Internal Audit and their periodic audit plans shall comprehensively cover the mobile banking activities records.



- ❑ Branch Manager shall accompany the mobile teams occasionally and shall also do some independent verification of balances in loans and deposits with bank's records and record his/her observations.
- ❑ The bank shall have an appropriate policy for rotation of mobile staff.
- ❑ The mobile team shall maintain logbook etc. having complete record of the vehicle running along with proper authorization.
