

Report On
Risk Assessment of Products in bKash



By

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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Honors

BRAC Business School
BRAC University
Date of Submission: 25th August, 2019

Fall 2019, BRAC University

Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

Ms. Fabiha Enam

Senior Lecturer

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Subject: Submission of Internship Report on Risk Assessment of Products in bKash.

Respected Madam,

It gives me immense pleasure to submit the report of my internship in bKash Limited for the completion of honors offered by BRAC Business School.

I express my gratitude to you for providing me with the supervision and support to continue my internship in bKash Limited. Despite various shortcomings, I have been devoted to find out the core information from different aspects. I hereby, thank you for your valuable time and guidance.

Sincerely yours,

Iffat Rubaiyat

Student ID: 15104189

BRAC Business School

BRAC University

Date: 25th August, 2019

Non-Disclosure Agreement

This page is for Non-Disclosure Agreement between the Company; bKash Limited and The Student; Iffat Rubaiyat

This agreement is made and entered into by and between bKash Limited and the undersigned student at BRAC University.....

Acknowledgement

Firstly, I would like to show my gratitude towards my Almighty for keeping me in good health throughout my internship tenure and enabling me to complete the internship report on time, an internship program is a mandatory requirement in order to pursue the Bachelor of Business Administration Degree, completing the course “BUS400” of BRAC University. I couldn’t be able to complete the report properly without the guidance and proper instructions of the people of my academic area as well as, the people of my job environment.

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Hereafter, I would like to thank my onsite supervisor Mr. Shahrear Ahamed, Assistant Manager, for helping me in every possible way. Without his guidance in every step, it would be impossible for me to write the report. Last but not least, I would like to thank, all the employees of the department for their help towards me.

Executive Summary

Internship is the opportunity to experience the practical work environment. The main objective of this report is to evaluate the effectiveness of Compliance process monitoring and control team.

First of all, the report gives an overview of bKash Limited. Hereafter, it draws attention towards the practices of AML and CFT in Bangladesh and also helps to identify the importance of the process for any organization. In the third part, the risk assessment of the products in bkash has been described in detail. Before that, a comparative study has been shown about the products of bKash. Last but not least, a little description of the products is written. Moreover, there is a brief description of KYC checking is given so that the first step of risk mitigation can be shown. At the very end, recommendations have been stated as per practical knowledge and evaluating the process.

Here, the comparative researches are shown so the mobile financial services can be compared.

The report is prepared to evaluate the effectiveness and areas of further development of risk assessment of products.

Furthermore, here is a small description of the latest product eKYC is given which is going to launch on 1st September,2019.

Keywords: AML and CFT; Mobile Financial Service; CPMCT; Risk assessment.

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List of Acronyms

MFS	Mobile Financial Service
KYC	Know Your Customer
BFIU	Bangladesh Financial Intelligence Unit
AML/CFT	Anti-money laundering/countering the financing of terrorism
CAMLCO	Chief Anti-Money Laundering Compliance Officer
MNO	Multi-national Organization
CDD	Customer Due Diligence
NBR	National Board of Revenue
IFC	International Finance Corporation
ML/TF	Money laundering/terrorism financing
EC	Election Commission
eKYC	Electronic-know-your-customer

Glossary

KYC The main form of bKash to open an account.

eKYC The new electronic KYC by which customers can open their account themselves.

Chapter 1: Introduction

1.1 Company Profile

In 2011, bKash started its journey along with 12 employees. Moreover, in a very short period of time bKash has become the leading MFS (Mobile Financial service) of Bangladesh. The impact bKash has created to rural and urban people are life changing. Its mission is to reach to all the unbanked people by offering the financial services at the lowest possible cost and through mobile network. It already has a huge customer base and is the market leader. But, like all financial service provider bKash has been facing fraudulent activities and to mitigate these risks the Division of External & Corporate Affairs is working day and night. As per Bangladesh Bank rule and regulation MFS providers must follow guidelines and policies which include the CDD which is the Customer Due Diligence. bKash application is basically act as depository of electronic money while the transaction is being done through customer's cell phone. But this platform is being misused by some criminal minded people who are basically corrupted and has no moral values. Every minute a lot of customers are using this application and becoming victims of serious criminal offence like money laundering and terrorist financing. For some reasons day by day ML&TF activities are increasing at an alarming rate which can be potential threat for bKash application. I got the opportunity to work under the team where I got to do the CDD of personal bKash account holders. There are certain guidelines by BFIU by which we accept or reject registered KYCs which was my main job responsibility. KYC is fulfilled to complete a registration and according to BFIU guidelines there are some mandatory fields which must be filled properly to maintain a certain quality of the registration.

Mobile Financial Services (MFS) is an approach to offering financial services that combines banking with mobile wireless networks which enables users to execute banking transactions.

This means the ability to make deposits, withdraw, and to send or receive funds from a mobile account. Often these services are enabled by using bank agents that allow mobile account holders to transact at independent agent locations outside of bank branches.

In 2011 BRAC Bank launched a 51% owned subsidiary called bKash combined with an investment from Money in Motion an USA based company granted permission by Bangladesh bank to jointly operate MFS in Bangladesh. In April 2013, International Finance Corporation (IFC), member of the World Bank Group, became an equity partner and in April 2014, Bill & Melinda Gates Foundation became the investor of the company. In 2017, bKash Limited, the largest mobile financial service provider in Bangladesh was ranked 23rd on Fortune's third annual 'Change the World' list which recognizes top fifty companies that are changing the world through solving a multitude of societal problems(bKash, 2017).

bKash provides one service menu for MNOs which includes Robi, Banglalink, Grameenphone and Airtel. bKash is the largest MFS in Bangladesh with a network of over 200000 agents scattered through the urban and rural areas of Bangladesh touching the unbanked communities with over 35 million registered accounts. bKash has also collaborated with big organizations as business partners such as Aarong, Bata, Lotto etc. which are known as merchants.

Bangladesh Bank plays a huge role in shaping the regulations of bKash's operations. bKash follows compliances and amendments so that no fraudulent activities can take place using the services provided by bKash. bKash maintains the requirements of Bangladesh Bank and most importantly bKash does Customer Due Diligence (CDD) or Know Your Customer (KYC) for background check to ensure the customers are properly risk assessed before being on boarded also provides training sessions to stakeholders to have the required knowledge(International Compliance Association, n.d.).

By providing various banking services such as cash in/out, buying airtime, making payments, sending money and remittances through mobile networks bKash has already reached to almost

every district of Bangladesh and has provided affordable banking services to people who could not afford banking services and is contributing a large portion to the country's growing economy.

1.2 Objectives

In Recent days mobile financing industry become very much comprehensive. It deals with different areas to capture the market & it requires huge promotional activities to survive. Beside this it takes huge effort to known this system with general people. Moreover, they have to come up with different innovative ideas to have a position in the market. Thus, the study covers a broad spectrum such as Service, price, promotion, government, regulation etc. Based on the above facts the specific objectives of the study follow:

- To give an overview of Mobile financing industry in Bangladesh
- To find out about the future prospects in the industry.
- To evaluate the performance of bKash.
- To evaluate the competitiveness of bKash in the market.
- To get an insight of the products of bKash.

1.3 Mission:

Being the largest MFS in Bangladesh, the objective of bKash is to provide convenient, affordable and reliable financial services. The company aims to widen the net of financial inclusion and provide a solution for Mobile Financial Service built on a highly scalable mobile money platform, allowing the people to do safe money transactions through mobile devices (bKash, n.d.).

1.4 Methodology

For making a report, correct information and data are needed. Moreover, this report mostly comprises of primary and secondary data.

Primary Data:

This data is directly collected from the source that is from the company directly. Here, the interns can gather information by asking the employees and also can add their knowledge which they gathered during the internship duration.

Secondary Data:

For further information and data collection secondary data collection is done by collecting data from internet, previous research's and going through company documents.

Chapter 2 The organization

2.1 Corporate Divisions:

bKash has several divisions which are divided into into different departments to carry out functions. The departments are then divided into several teams working together as a whole for the department. The divisions of bKash are shown below:

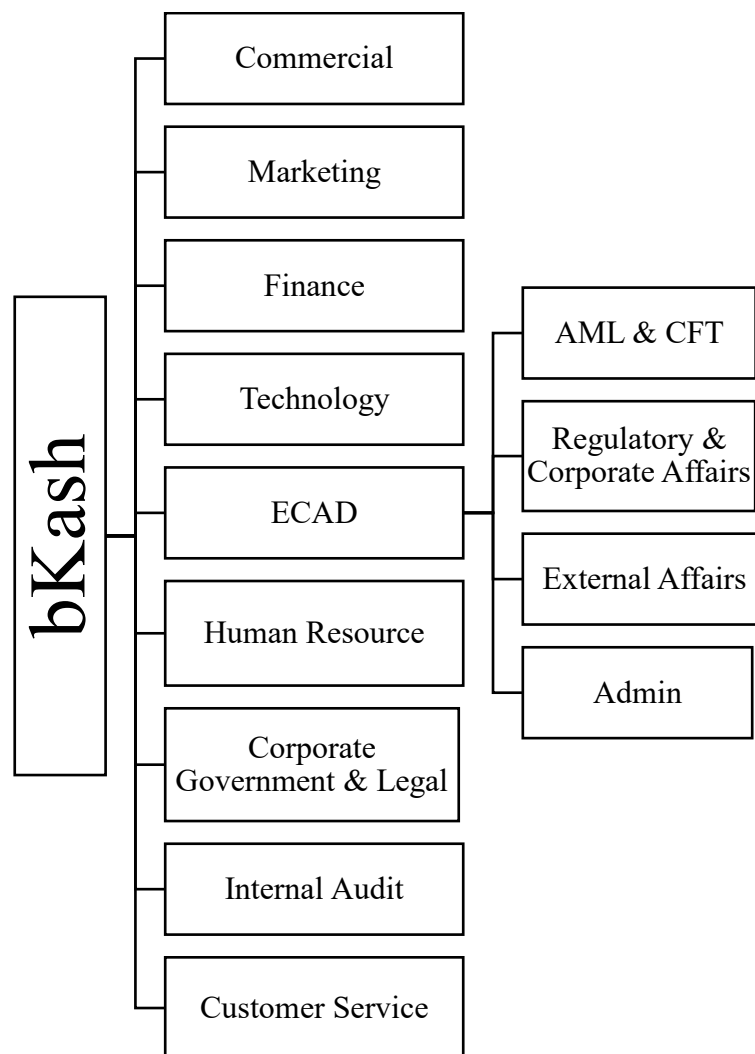


Figure 1: Corporate Division and Departments

An an intern in the External & Corporate Affairs Division (ECAD) which is one of the largest divisions of bKash with four departments divided into several teams is a great opportunity. ECAD mostly works with compliance, fraudulent activities and works to mitigate risks associated with bKash and it's operations. ECAD division of bKash harmonizes the interests of bKash with the regulations of Bangladesh Bank required for MFS provider related to mitigate risk of money laundering and financing of terrorism. Bangladesh Financial Intelligence Unit (BFIU) provides the compliance and amendments related to risk mitigation for bKash. ECAD deals with the external affairs related to bKash. As an intern in the Anti Money Laundering & Combating Financing of Terrorism (AML & CFT) department and got to work with the CPMCT. CPMCT is Compliance process monitoring and control team.

2.2 The Teams & Their Functions:

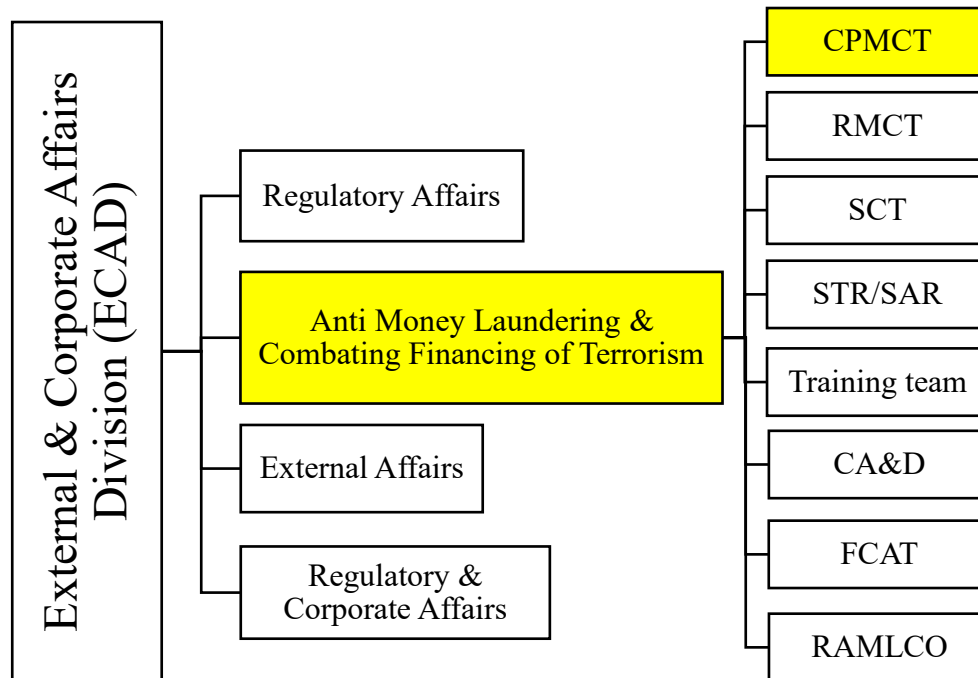


Figure 2: Teams

Compliance Process Monitoring & Control Team (CPMCT):

This team works with customer services, rechecks their works, gives feedbacks and develops strategies for further scopes of improvement in accordance with compliance.

Risk Monitoring & Control Team (RMCT):

This team monitors situations, identify risks that can arise using bKash services and provide measures to mitigate those risks.

Strategic Compliance Team (SCT):

This team analyses the provisional risks that might arise after implementing new strategies and finds out ways to overcome those risks.

<p>Suspicious Transaction Report/ Suspicious Activity Report Team (STR/SAR):</p> <p>This team reports unusual activities and transactions using bKash services then raises complaints and takes actions accordingly.</p>
<p>Training team:</p> <p>This team trains agents, distributors and merchants according to the requirements of Bangladesh Financial Intelligence Unit (BFIU)</p>
<p>Compliance Analysis & Documentation (CA&D):</p> <p>This team keeps all the documents and records of the entire department and directly works with Bangladesh Bank.</p>
<p>Field Compliance Assessment Team (FCAT):</p> <p>This team works directly in the field, assess problems of unusual transactions directly through the primary sources.</p>
<p>Regional Anti-Money Laundering Compliance Officer (RAMLCO):</p> <p>They are the heads of individual division in different regions who follows up regional problems arising through bKash services.</p>

Table 1: Teams and Functions

Chapter 3 Industry Analysis:

3.1 Comparative Analysis of bKash Limited

bKash Limited is a joint venture between BRAC BANK Limited, Bangladesh, and Money in Motion LLC, USA. The ultimate objective of bKash is to ensure access to a broader range of financial services for the people of Bangladesh. It has a special focus to serve the low-income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable. (bKash, 2013)

The report is containing a comparison between bkash and DBBL Mobile Banking in terms of their branding. There the comparison based on visibility level, area covered by the company and other branding issue.

The report also portrays the industry through Porters' Five forces model. The state of the industry is best portrayed through the model. The threat of new entrants is low due to the shortage in spectrum and bargaining power of suppliers is also low.

If one studies the comparative analysis of the market, it can be seen that bkash has already built brand equity among its customer. Thus far, it has been able to hold on to its leadership without doing much.

3.2 Competitive Analysis of Top Four MFS Operators

SWOT Analysis: SWOT analysis is a framework used to evaluate a company's competitive position and to develop strategic planning. SWOT stands for strengths, weaknesses, opportunities and threats. SWOT analysis assesses internal and external factors, as well as current and future potential. (SWOT Analysis - Investopedia, 2019)

3.2.1 Strength

bKash	1. Market leader
	2. Agents in every corner of Bangladesh.
	3. Strong investors backup
	4. Strong departments for maintaining compliance & regulatory policy
	5. Strong brand image
	6. Strong company culture
Rocket	1. Strong agent banking structure
	2. Country's best and largest ATM network
	3. Low account operation cost
	4. Strong banking backup from the parent bank
t-cash	1. A fixed amount of loyal military customer
	2. Parent bank emphasize on market share
	3. Have the ability to gain peoples trust
	4. Daily interest on saving
UCash	1. Offers a limited amount of services
	2. Receives full cooperation from parent bank
	3. Made a contract with BRTA for receiving all sort of road tax

3.2.2 Weakness

bKash	1. High service charge compared to other MFS operators
	2. Holding back in terms of differentiating itself from competitors
	3. Most of the rumors of the industry are bKash focused
	4. Least security measures for field agents
Rocket	1. Failed to operate as an individual like bKash
	2. Bound to compliances of the parent bank
	3. Does not have dedicated divisional operation
	4. More of a complementary unit
	5. Low percentage of market share
	6. Weak customer engagement
	7. Less loyal customers
t-cash	1. Very low market share
	2. Was not able to reach local customers
	3. Weak customer engagement
	4. Less scope of international exposure
UCash	1. No interest on savings
	2. Very low market share
	3. Not so popular among local people

3.2.3 Opportunities

bKash	1. A huge array of potential customers
	2. bKash is connected with popular online shops
	3. Since it has a magnificent portfolio of international investors, it can expand its business globally
	4. Continuously discovering product line
Rocket	1. Comparatively better position and a prospect to flourish in services
	2. Helping parent bank in converting 90% mobile users to core banking customer
	3. Potential growth of the industry and more focused operation from the authority
t-cash	1. Chances of gaining customers are high
	2. New ideas can be implemented
	3. Have the ability to utilize trust banks conventional customers to increase market share
UCash	1. No of customers are growing in a very fast rate
	2. Ability to make deals to receive different types of government fees and taxes
	3. Gradually receiving popularity among both rural and urban people.

3.2.4 Threats

bKash	1. Getting abused by fraudsters and criminals
	2. The gap with the nearest competitors is decreasing
	3. The entrance of government organization (NAGAD) into the Industry with better service offers.
Rocket	1. An increasing number of inactive accounts
	2. The possibility of losing existing market share if bKash offers even better services with the help of newly aligned Alipay
	3. The government initiated “NAGAD” can be a potential threat to the existing market shares.
t-cash	1. Nagad can become a huge threat.
	2. Can lose existing market share.
	3. Low ability to market is a threat.
UCash	1. Small number of services offered is becoming a problem for UCash
	2. Lack of creative ideas is making its customers exhausted
	3. bKash and rocket are acquiring its potential customers

Table 2: SWOT Analysis

3.3 MFS Industry Analysis:

The mobile wallet market in Bangladesh is likely to gain momentum in 2019 as a global report forecasts its growth to USD 250 billion by 2024 from over USD 100 billion in 2017, according to experts. Mobile Financial Service (MFS) experts said the size of the mobile wallet market was expected to increase at a 30 per cent compound annual growth rate (CAGR), while it is 15 per cent around the globe. The mobile wallet market in Bangladesh is growing with increasing digital shopping, introduction of the QR code and cash back offers by some MFS operators. (Bhutani & Wadhvani, 2019)

US-based Global Market Insights, in its report released on Tuesday, says the mobile wallet market is expected to grow from over USD 100 billion in 2017 to USD 250 billion by 2024. It suggests that the growth is influenced by attractive discounts and cashback offers by mobile wallet providers. The report says significant capital investments by major industry players towards redevelopment programs as well as collaboration among fintech firms and commercial banks will further stimulate the industry growth. (Bhutani & Wadhvani, 2019)

“Cashback offers also reduce the customer acquisition cost by preventing companies from spending large amounts on marketing their products,” the report says, noting that countries like Bangladesh and India will also see further growth in the mobile wallet market in 2019. Countries like India, Bangladesh and Kenya will also see impressive growth in the mobile wallet market in the days ahead, the report says. (Azad, 2019)

Commenting on the report, a Bangladesh Bank (BB) official said the Bangladesh MFS market would gain momentum in 2019 as most players are offering lucrative discounts and

cashback offers and likely to introduce lucrative services in cooperation with global players.

(Azad, 2019)

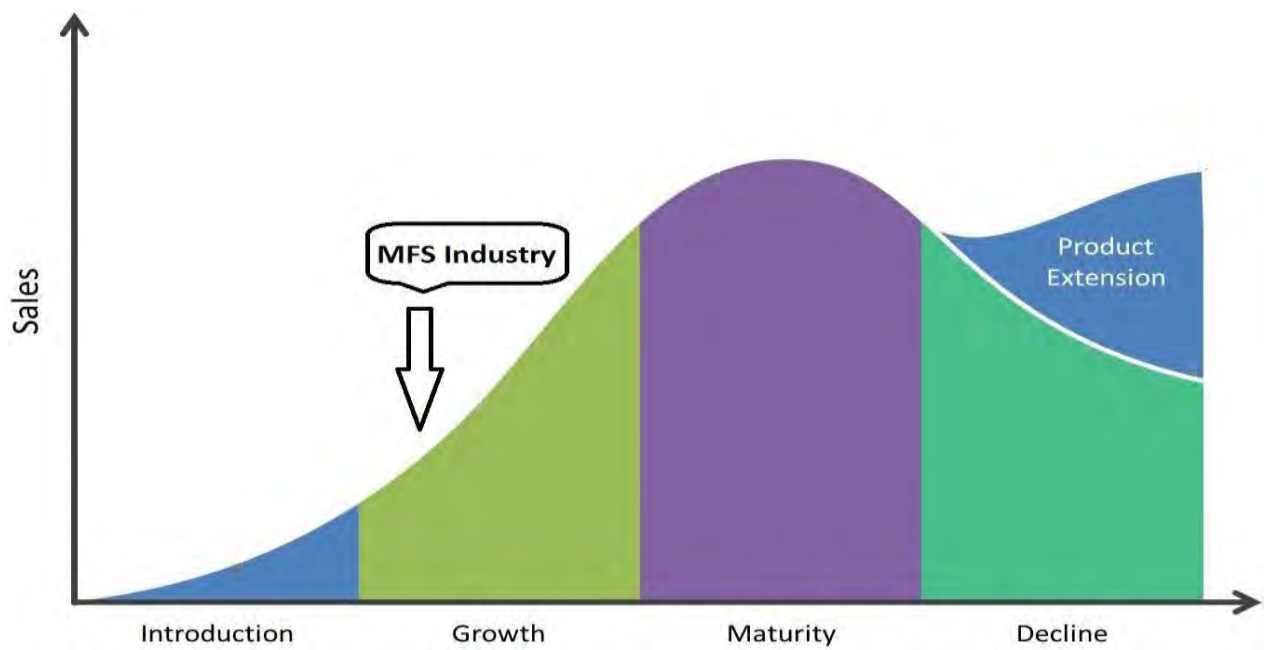


Figure 3: Stage at the Life cycle of MFS Industry in Bangladesh

More than 50 million people are using mobile financial services offered by 18 banks to meet their needs under a regulatory environment. The industry has experienced 120 per cent growth since 2011 thanks to rapid customer's adoption and innovations in services offered.

"bKash, a multinational company is a leading MFS player in Bangladesh with a lion's share of the market, followed by Rocket and Sure Cash", said the central bank official. It is expanding its customer base with lucrative cash back offers. bKash has already adopted QR code in its payment apps to facilitate customer's cashless shopping experiences, the BB official said, adding that government offices are increasingly accepting this new mode of payment, while different private sector companies have been using this platform for salary disbursement.

According to BB's report on MFS, the total volume of transactions conducted through MFS platform was Tk. 378,885 in 2018, which is 20 per cent higher than 2017. Moreover, the number of active customers has also increased to 3.73 in 2018 from 2.1 crore in 2017.

Shamsuddin Haider Dalim, head of corporate communications of bKash, said the wallet-to-wallet fund transfer is still the most popular segment in MFS transactions. He also said there is tremendous growth potential in some other segments too, including bill payment, merchant payment, salary disbursement and international remittances. "We have seen a strong impact on our remittance solutions where our partner banks like MTBL, Bank Asia, City Bank and BRAC Bank are bringing foreign remittances." (Azad, 2019)

3.4 Comparison of Product & Services Offered and Fees charged by the Top Four MFS Providers of Bangladesh

Services Offered	bKash		Rocket		t-cash		UCash	
	Availability	Fees	Availability	Fees	Availability	Fees	Availability	Fees
A/C Opening	Yes	Free	Yes	Free	Yes	Free	Yes	Free
Cash in at Agent	Yes	Free	Yes	0.9% for salary or stipend products	Yes	Free	Yes	Free
Cash in at Bank Branch	N/A	N/A	Yes	10 taka for salary or stipend products	Yes	Unknown	N/A	N/A
Cash in from Bank A/C	Yes	Free	N/A	N/A	N/A	N/A	N/A	N/A

Cash Out from an agent	Yes	1.85 %	Yes	0.9 to 1.8%	Yes	1.85%	Yes	1.85%
Cash Out from ATMs	Yes (Minimum 2000 taka)	2%	Yes	1.80%	N/A	N/A	N/A	N/A
Cash Out from Bank Branches	N/A	N/A	Yes	1.80%	N/A	N/A	N/A	N/A
P2P Transfer	Yes	Tk 5	Yes	Tk 5	Yes	Tk 5	Yes	Tk 5
Interest on Savings	Yes	1.5% to 4%	N/A	N/A	N/A	N/A	Yes	2%
Bill & Merchant Payment	Yes	Free	Yes	Free	Yes	Unknown	N/A	N/A
Merchant Payment	Yes	1.30 %	Yes	1%	Unknown	Unknown	N/A	N/A
Payment (cost to merchant)		to 1.8%						
B2P	Yes	0.05	Yes	Free	Yes	Unknown	N/A	N/A

Disbursement		%				n		
Collection Settlement Fee	Yes	1.50 %	Yes	1.50%	Yes	Unknown	N/A	N/A
Minimum Balance Requirement	No	N/A	Yes	20 Tk	Unknown	Unknown	Unknown	Unknown
Mobile Recharge	Yes	Free	Yes	Free	Yes	Free	N/A	N/A

Table 3: Comparison of Products

After analyzing all the products and services offered by the different MFS operators, it is very clear that bKash and Rocket provides the most premium services among all other MFS operators. Their services are almost similar to each other, in terms of cash in from bank branches Rocket has got an edge over bKash, on the other hand cash in from bank account is only provided by bKash, which gives bKash an edge over all other operators. The highest amount of interest on savings up to 4% is provided by bKash to its customers & there is no minimum balance requirement for bKash account holders. All these extra advantages given by bKash make it more preferable to general customers.

3.5 Comparison between products and services offered by the top three MFS operators:

Services Offered	M-Pesa	bKash	MTN Momo
A/C Opening	Yes	Yes	Yes
Cash in at Agent	Yes	Yes	Yes
Cash in at Bank Branch	N/A	Yes	N/A
Cash in from Bank A/C	Yes	Yes	N/A
Cash Out from an Agent	Yes	Yes	Yes
Cash Out from ATMs	Yes	Yes	N/A
Cash Out from Bank Branches	N/A	N/A	N/A
P2P Transfer	Yes	Yes	Yes
P2P Transfer (Different Operators)	Yes	N/A	Yes
P2P Transfer to Unregistered Users	Yes	N/A	N/A

Interest on Savings	Yes	Yes	Yes
Specialized Savings Account	Yes	No	Yes
Providing Loan	Yes	N/A	Yes
Bill & Merchant Payment	Yes	Yes	Yes
B2P Disbursement	Yes	Yes	Yes
Minimum Balance Requirement	No	No	No
Mobile Recharge	Yes	Yes	Yes
Leasing Services	Yes	No	Yes
Life Insurance Services	No	No	Yes
Remittance Services	Yes	Yes	Yes
Payment Gateway	Yes	Yes	Yes

Table 4: Comparison between Products

It can be seen there are some major differences between products & services offered by bKash and the other two top MFS providers.

The first major difference between bKash and other two MFS is, bKash is a subsidiary of a bank, whereas M-Pesa & MTN MoMo both are a specialized service provided by two of the world's largest mobile operator company. M-Pesa is owned by Safaricom and MTN MoMo is owned by MTN Group.

Though M-Pesa and MTN MoMo are owned by two mobile network operators but they are providing complete banking services to their customers compared to bKash. M-Pesa and MTN MoMo customers can take loan, deposit their money through a specialized saving scheme, even they can receive or disburse lease payments using mobile money account. bKash customer does not receive such services. M-Pesa is providing life insurance services to their customers. bKash need to adopt those services to increase financial inclusion in Bangladesh.

M-Pesa and MTN MoMo provide some services which should be provided by every MFS operator in our country to increase financial inclusion. They are P2P transfer to different operators and P2P transfer to unregistered users. This advantage will make MFS services even more convenient to common users.

Chapter 4 Products and Their Risk Assessment:

4.1 Product lines or services:

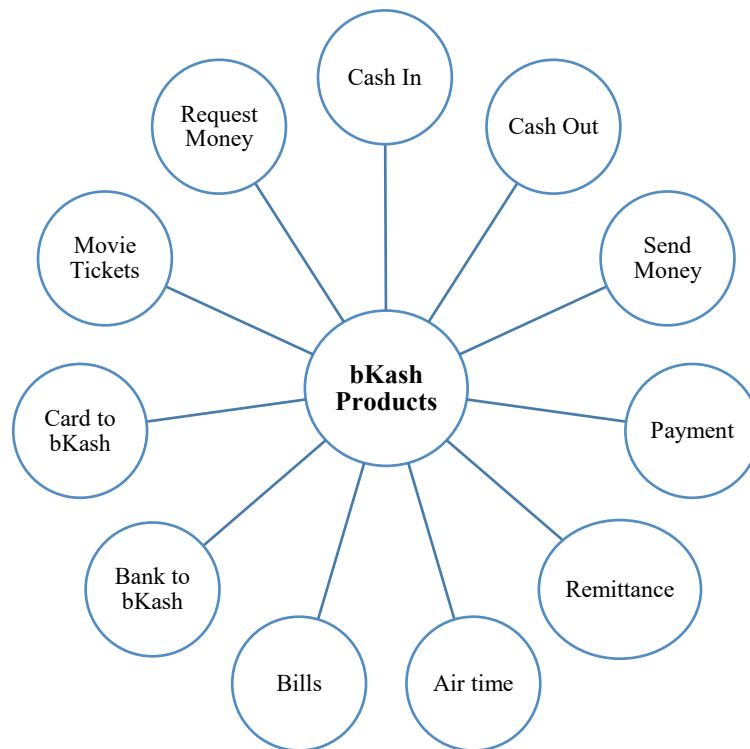


Figure 4: Products of bKash

Descriptions:

- **Cash in:** Users can load e-money into their bKash accounts from bKash agents or ATMs. This does not cost any charge; the user gives money to agent or transfers from ATMs it automatically loads e-money into their bKash account.
- **Cash out:** Users can withdraw money from their bKash account or ATMs. They can only withdraw the amount they have in their account and requires certain charge in every withdrawal.
- **Buy airtime:** bKash account users can directly buy airtime using any Mobile Network Operator using e-money from their account.
- **Payment:** bKash account users can also make payments in collaborated stores known as merchants through 'bKash Payments'.
- **Send Money:** One bKash account user can transfer e-money to another bKash account using 'Send Money' option.
- **Remittance:** bKash has strategic alliance with Western Union and MasterCard to enable transfer of foreign remittance through bKash accounts which is available 24/7 and people can send money from 200 countries to Bangladesh which makes this service convenient for users to receive remittances.
- **Bank Transfer:** bKash account holders can transfer money from their bank accounts.
- **Request Money:** A bKash account holder can request another account holder for some money in emergency.
- **Bills:** bKash app can also be used as a bill payer for electricity.
- **Bank to bKash:** By this, customer can transfer money from bank to a bKash app.
- **Card to bKash:** In this cashless tendency society people tempt to carry credit cards more than cash. So, bKash app allows to transfer money from cards.

- **eKYC:** A new feature for the app so that customers can open their own accounts by themselves only by scanning their NID and clicking a photo. For now, only the agents have the access but from 1st September, 2019 each and every customer will get the opportunity for this.

4.2 eKYC Launch

This year bKash launched e-KYC (Electronic-Know-Your-Customer) app for the individual customers so that one can open their own account by using their own mobile bKash app. As bKash App is most popular and have maximum user became the first mobile financial service provider who came up with this idea.

According to the press release by bKash they announced that, the eKYC app allows customer to open their accounts by instant activation by scanning NID and taking a photo.

OCR (Optical Character Recognition) is to collect data from NID, face detection technology and cross matching data with Election Commission (EC) database, the app is making the whole system more integrated and less operational complexity. Furthermore, it saves more time.

An automated scanning process OCR helps to extract information from the NID and filled the eKYC form.

Then a photo is taken directly by the mobile phone and all the information are cross matched with EC database.

After proper verification, the system will automatically register the customer account and send confirmation message to both the eKYC app user and the new customer.

At this moment, agents, bKash care, bKash center and distributors are registering new customers using this interactive app.

But, bKash plans to render this solution directly to the customers so that they can open accounts by themselves.

4.3 Risk Assessment of The Products:

Risk Definitions

1. Systemic: A risk that could cause collapse of, or significant damage to, the financial system or a risk which results in adverse public perception, possibly leading to lack of confidence and worst-case scenario, a "run" on the system
2. Operational: A risk which damages the ability of one of the stakeholders to effectively operate their business or a risk which results in a direct or indirect loss from failed internal processes, people, systems or external events
3. Reputation: A risk that damages the image of one of the stakeholders, the mobile system, the financial system, or of a specific product
4. Legal: A risk which could result in unforeseeable lawsuits, judgment or contracts that could disrupt or affect MFS business practices
5. Liquidity: A risk that lessens the ability of a bank or MFS provider/agent to meet cash obligations upon demand
6. International: A systemic risk (as defined above) that could have cross-border contagion effect

bKash is a mobile financial service, so its services are its products. Moreover, there may be risks associated with the new products.

Other products are giving service for about 2-3 years but for now the main concern is eKYC app. For this reason, there are some thresholds that for avoiding the risks.

Previously its known that eKYC app is a self-controlled app by which customers can open their own accounts. But then again, the customers can be a fraud, he/she might want to open multiple accounts, can use a death customers NID or number and also there are some more problems. Moreover, as the app is not launched yet for every customer it is not allowed to include all the thresholds.

To avoid opening multiple accounts bKash has set the rule, one NID one account. Furthermore, for avoiding risks for death persons' account while taking the picture for eKYC the customer has to blink his/her eyes.

4.4 The risk assessment processes bKash mostly follows:

- Pre and Post Transaction monitoring

The main service or products of bKash is to transact money. Moreover, all the transactions are being monitored by bKash as it is a sensitive issue.

- Product as per the Regulatory guidelines

There are some regulatory guidelines that are settled by BFIU which bKash follows only to avoid risks.


Chapter 5: CPMCT

5.1 Job Responsibilities:

As an intern the scope of working and access to work was limited. In the past three months of internship in bKash has been an amazing experience and a journey of learning. Through the internship period one could step into the corporate world where they did not just learn about the work environment and behavior but they could also enhance their skills. Intern had to work in MS Excel where all developed Excel skills. Interns got the chance to go through BFIU circulars where everyone got to know about the rule, regulations and policies.

Furthermore, Intern were given the responsibility to monitor, detect and give observations on the registered forms of personal customer account. They had to check the quality of KYC forms according to certain guidelines by BFIU for mobile financial service providers and whether if the criterions were met.

For opening a personal account, the account holder has to be physically present in an agent point with their NID/ Driving license/ Passport as a photo proof and needs to fill up the KYC designed for personal account. The KYC form fro personal account is given below:



একটি ক্লিক করে শুরু করুন

বিকাশ গ্রাহক একাউন্ট আবেদন এবং কেবয়াইসি ফর্ম
(bKash Customer Account Application & KYC Form)

বিকাশ লিমিটেড (bKash Limited)

নতুন একাউন্ট (New Account)

প্রমাণিত পাসপোর্ট সাইজ ১ কপি ছবি
(Verified Passport Size of 1 copy Applicant's Photo)

হাফ বিকাশ একাউন্ট নম্বর (bKash Customer Account No):

অবশ্য পূরণীয় অংশ - ১ (Mandatory Fields Part - 1)

১। আবেদনকারীর নাম (Applicant's Name): বাংলায় _____
পূর্ণ নাম (Full Name)
 In English (Block Letter): First Name: _____
 Last Name: _____

২। পিতার নাম (Father's Name): _____

৩। মায়ার নাম (Mother's Name): _____

৪। স্বামী/স্ত্রীর নাম (Husband/Wife's Name): _____

৫। পরিচয় পত্রের ধরন (ID Type): জাতীয় পরিচয় পত্র (NID) পাসপোর্ট (Passport) ড্রাইভিং লাইসেন্স (Driving License) জন্ম সনদ (Birth Certificate) অন্যান্য (Others): _____

৬। পরিচয় পত্র নম্বর (ID Number): এবং বৈধতা তারিখ (Validity Date):

৭। জন্ম তারিখ (Date of Birth):

অবশ্য পূরণীয় অংশ - ২ (Mandatory Fields Part - 2)

৮। বর্তমান ঠিকানা (Present Address): বাড়ি নং / হোল্ডিং নং (House no. / Holding no.): _____ সড়ক নং / নাম (Road no. / Name): _____
 গ্রাম / এলাকা (Village / Area): _____ থানা / উপজেলা (Thana / Upazila): _____
 ইউনিয়ন (Union): _____ জেলা / শহর (District / City): _____ পোস্ট কোড (Post Code): _____

৯। স্থায়ী ঠিকানা (Permanent Address): বাড়ি নং / হোল্ডিং নং (House no. / Holding no.): _____ সড়ক নং / নাম (Road no. / Name): _____
 গ্রাম / এলাকা (Village / Area): _____ থানা / উপজেলা (Thana / Upazila): _____
 ইউনিয়ন (Union): _____ জেলা / শহর (District / City): _____ পোস্ট কোড (Post Code): _____

১০। লিঙ্গ (Gender): পুরুষ (Male) মহিলা (Female) অন্যান্য (Other)

১১। অর্থের উৎস (Source of Fund): _____

১২। অস্থায়ী মাসিক আয় (মাসিক আয়) (Est. Monthly Income): _____

১৩। পেশার বিবরণ (Details of Occupation): _____

গোপনীয় নথি: এই ফর্মটিতে প্রদত্ত তথ্যের সঠিকতা নিশ্চিত করার জন্য, আপনি নিশ্চিত হওয়া উচিত যে আপনি প্রদত্ত তথ্যের সঠিকতা নিশ্চিত করেছেন। অন্যথায়, বিকাশ লিমিটেড আপনার একাউন্টটি বন্ধ করে দেবে।

আবেদনকারীর স্বাক্ষর/ছাপ (Customer's Signature/Thumb Print) _____ তারিখ (Date) _____

সংযুক্তি (Attachments): পরিচয় পত্রের কপি (Photo ID) প্রমাণিত পাসপোর্ট সাইজ ১ কপি ছবি (1 Copy of Applicant's Photo) অন্যান্য (Others)

এজেন্ট কর্তৃক পূরণীয় (Agent Use Only)

এজেন্ট বিকাশ একাউন্ট নম্বর (Agent bKash Account No):

আমি নিশ্চিত করছি যে, আবেদনকারী আমার কাছে প্রমাণিত করেছেন এবং তার পরিচয় পত্র আবেদনকারীর নিজস্ব। অথবা, বিকাশ লিমিটেড প্রদত্ত তথ্যের সঠিকতা নিশ্চিত করেছেন।

এজেন্টের নাম (Agent's Name): _____ স্বাক্ষর ও সীল (Signature & Seal) _____ তারিখ (Date) _____

বারকোড স্টিকার (Barcode Sticker)

ডিস্ট্রিবিউটর কর্তৃক পূরণীয় (Distributor Use Only)

আমি এই মর্মে নিশ্চিত করছি যে, এই ফর্মটিতে প্রদত্ত তথ্যের সঠিকতা নিশ্চিত করেছেন এবং তার পরিচয় পত্র আবেদনকারীর নিজস্ব।

ডিস্ট্রিবিউটর-এর প্রদত্ত ব্যক্তির নাম (Distributor's Assigned Person's Name) _____ স্বাক্ষর ও সীল (Signature & Seal) _____ তারিখ (Date) _____

বি.ক্র: বিকাশ একাউন্ট মানে বিকাশ সোবহা একাউন্ট (bKash Account means the mobile account held with bKash)

16247 bkash.com

Figure 5: Personal KYC Form

To check if the KYC is compliance effective or not BFIU has provided some guidelines. The guidelines by BFIU to recheck the KYCs are as follows:

- The photo submitted with the KYC must match with the photo ID
- NID/provisional NID/paper printed NID/smart card will be accepted as photo ID.
- Use of Fluid anywhere in the KYC will automatically be the cause of rejection
- Usage of multiple languages is not allowed. KYC has to be either in English or Bangla. Numeric fields must be filled in one language only.
- The applicant must provide a signature in the photo copy of the photo ID given and the signature given in the KYC must match the sign in the supporting document.
- No overwriting or corrections are allowed in the KYC, however, upto four corrections are allowed but the customer has to provide a counter signature for each correction. If the number of corrections exceeds four the KYC will be rejected. Any sort of correction in the customer's wallet number will lead to direct rejection of the KYC.
- In terms of various appearance deviation like age, gender etc will lead to KYC rejection. Anyone having beard or transparent glasses is acceptable. If someone is blind he/she can wear dark glasses but he needs to provide a certified document.
- Front faced photos are accepted only. Picture with single colored background or shade is accepted.
- The date field must be filled and absence of date in the KYC will be rejected.
- Date of Birth (D.O.B) has to match the photo ID provided and can be written in both numeric and Alpha- numeric form.
- In Address field, four sub-fields (Village/area, Thana/upazila, District/city & Postal code) must be filled out in both permanent and present address fields.

- Details of occupation must be filled out. Source of funds, Monthly income must be stated properly inappropriate sources would lead to KYC rejection.
- Only one gender option should be selected
- Signature of agent and distributor with date is a must, thumb print will cause rejection. Seal is not mandatory.
- Any customer account number with less/more than 11 digits including zero should not be accepted and cause KYC rejection.
- Any supporting document used as Photo ID must have validity date wherever applicable.
- Personal accounts can also be opened by armed license, military, para military, SAGs and LEAs, freedom fighter ID, office ID (Government/semi Government), Student ID and NGO beneficiary ID but birth certificate must be given along with it.

Interns are to recheck the KYCs which were accepted by Customer Service and if the forms were compliance effective they have to accept the sampled KYCs but if any error found have to reject those KYCs and give certain observations with remarks and give input in MS Excel. Some observations and reasons for those observations are given below:

Observations	Reasons	Remarks	
Unclear Photo ID	The photo ID submitted with the KYC must be clear, readable and visible, if not, we give this observation	Quality (QC) possible	Check Not

Incorrect Photo	If the photo given with the KYC has different coloured background or the front face of the person is not visible we give this information	KYC is Rejected
Photo Mismatch	If the photo of the account holder doesnot match with the photo ID we give this observation	KYC is Rejected
Father's/ Mother's Name Missing	Father's/ mother's name has to match with photo ID, if not we give this observation	KYC is rejected
Husband/ Wife's name missing	Spouse name has to match with the photo ID, if not, we give this observation	KYC is Rejected
Wrong D.O.B	D.O.B has to match with photo ID, if not we give this observation	KYC is Rejected
Name Mismatch	The applicant's name must match with the name given in Photo ID, if not we give this observation	KYC is Rejected
Signature mismatch/missing	If signature does not match with the signature provided in the supporting document and if the applicant does not give signature in KYC, we give this observation	KYC is Rejected
Signature not found in supporting document	The applicant must sign the photocopy of the photo ID, if not we give this observation	KYC is Rejected
KYC/Supporting document not found	If KYC is not found or supporting document is not found we give this observation	QC Not Possible
Agent Signature not found	If there is no agent signature found in the KYC we give this observation	KYC is Rejected
NID number incorrect in KYC	If NID is given as photo ID the number must match with the NID number if not we give this	KYC is Rejected

	observation	
Incompleteness of KYC	All the fields of KYC must be filled if not the form will be considered incomplete and we give this as an observation	KYC is Rejected
Customer and Agent sign same	The customer sign cannot match with the applicant's sign because the agent cannot open a personal account with same number	KYC is Rejected
Different supporting document	The photo ID information must match with the KYC, if not we give this observation	KYC is Rejected
Date missing/ mismatch	The date of registration must be given if not we give this observation	KYC is Rejected
Mandatory field missing	All the mandatory fields must be filled if not we give this observation	KYC is Rejected
Overwriting	Four correction is allowed if exceeds four it will be considered as over writing and any correction in the wallet number is over writing	KYC is Rejected
Counter signature not found	Four corrections are allowed but the applicant must give a counter signature if not found we give this observation	KYC is Rejected
Address not captured/ filled up properly	Four fields of address must be filled or else we give this observation	KYC is Rejected
Validity date missing/mismatch	Any photo ID provided that has validity date must match or stated in the KYC if not we give	KYC is Rejected

	this observation	
Fluid use in KYC	No use of fluid is accepted anywhere in the KYC	KYC is Rejected
Agent Number not found	Agent number must be given but if the KYC is for an update it is accepted	KYC is Rejected

Table 5: Observations for KYCs

Interns either reject the KYCs checked by CS with these observations or if all the fields are correctly filled we accept those KYCs. In case the information required are not filled properly bKash gives sixty days time to fix the problems or else their wallets are freezed. By this process we work as a control body over the CS to maintain the qualities of the registered KYCs.

Chapter 6 Conclusion:

6.1 Conclusion:

Risk assessment is one of the most important practices for any mobile financial service. By this the products can be saved and the risks can be mitigated. Moreover, customers will be highly satisfied and recommend the service to others.

Furthermore, bKash have a huge customer base and to keep track of them a team work on the fields to train the agents and a team monitor them from head office.

In addition to that, the product team always try to make their products flawless and user friendly. Most importantly, each and every time they give their heart and soul to innovate more to focus for creating a cashless society.

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