



## Inauguration of Dhaka Bank-EBL-Banglalink Mobile Phone Based Remittance Service

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### **Chief Guest**

Prompt delivery of workers' remittances, at affordable costs, to recipients in rural areas away from bank branches has for long remained a challenge for banks. Remitters and recipients not well-served by banks have often been lured by fast acting hundi channels diverting the foreign exchange inflows to illegal capital flight, tax evasion and crime/terrorism financing.

Fast expanding mobile telephony in Bangladesh already covers well over half the total adult population. This has opened up windows of opportunity for creative partnerships of banks and mobile telephone companies in devising cost effective arrangements for delivery of remittances (and eventually other financial services) through the countrywide area agent networks of mobile phone companies covering rural areas distant from bank branches. BB has for sometime now been encouraging such partnerships between banks and mobile phone networks, a number of such BB approved partnerships are already active; and BB welcomes the advent of another of these between Dhaka Bank, EBL and Banglalink.

These bank led partnerships are win-win cases for all concerned. Remitters and recipients benefit by fast, reliable and efficient service from legitimate channel free of shady hundi operators and money launderers; banks benefit by extended outreach to new client bases; and mobile telephone companies benefit by earnings in fees/ commissions from increased utilization of their networks and IT processing capacities. The partnerships need not limit merely to delivery of worker's remittances from abroad, arrangements can be devised to cover other receipts and payments, like delivery of inland remittances from migrant rural workers in urban areas to their families in rural homes, delivery of government's pension and social safety net payments to beneficiaries, delivery of government subsidies for fertilizer and irrigation fuel to farmers, delivery of loan disbursements from and loan repayments to banks, collection of utility bills, government taxes and levies, life insurance premiums and so forth. These arrangements will constitute key elements of wider and deeper financial inclusion envisioned by BB, and of E-governance in Digital Bangladesh envisioned by our government. The newly commissioned automated clearing in BACH at BB settling inter bank electronic fund transfers will facilitate these arrangements further.

BB wishes all success for the newly launched bank-mobile phone company remittance delivery partnership, and will be happy to see it expand in the directions indicated above.

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