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### Today's View

#### New PPI Guidelines

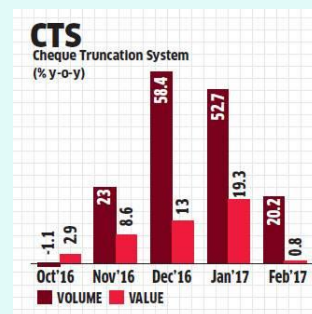
RBI has released draft master directions ([https://www.rbi.org.in/Scripts/bs\\_viewcontent.aspx?id=3325](https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?id=3325)) for PPIs (Prepaid Payment Instruments - includes your mobile and e-wallets, sodexos and pre-paid cards). RBI is seeking comments till March 31. Final guidelines will be released by April 30, 2017. The highlights of the guidelines are as mentioned below. We believe where these guidelines are good for the long term evolution of these instruments.

- Capital Requirements:** All entities, seeking approval / authorisation from the RBI, shall have a minimum positive net worth of Rs. 25 crore (from Rs 1cr. initially). We believe this could make the entry of new players in the market difficult and on top of that there is a timeline set for existing players to abide by it.
- AML:** There are new provisions for safeguarding against money laundering which includes undertaking measures that PPIs are not created in the system, including by the agents, only for the purpose of facilitating cash-based remittances to bank accounts.
- KYC:** Another major step taken by the regulator is to ensure that all minimum KYC PPIs to be converted into full KYC semi-closed PPIs within a period of 60 days from the date of issue of PPI, failing which no further credit shall be allowed in such PPI. This will be a humongous task for the wallet companies as currently, as per market data only 25% of the 200 million wallet customers have full KYC in place.
- Interoperable:** There is proposal of making PPIs interoperable across the banking system but only after the entity meets all the regulatory criteria it has laid out.

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After demonetisation, digital activity levels were low in the initial weeks . But it increased from December as remonetisation progressed.



However, the pace of growth moderated somewhat in February 2017.

Source- The Economic Times

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Date- 23<sup>rd</sup> Mar 17

- **Additional factor of authentication:** RBI has suggested that PPI issuers to provide additional factor of authentication for authenticating transactions including where the PPIs are issued in the form of cards.
- **Cash-out:** RBI has allowed cash withdrawal at Point of Sale (PoS) terminals to PPIs issued by banks with an upper limit of Rs 2,000 and Rs 1000 in urban and rural areas, similar to debit cards.
- The PPIs could be issued as smart cards, magnetic stripe cards, internet wallets, mobile wallets, and any instrument which can be used to access the PPI and to use the amount therein. PPIs in the form of paper vouchers need to be digitized by December 2017.

Just like the old 500 and 1000 notes, your paper sodexos and meal passes could soon be a thing of the past.

### **Aadhaar may become the only card in future: Arun Jaitley**

Finance Minister Arun Jaitley said that Aadhaar may become the only card in future, replacing all types of other identity cards like voter ID card, PAN card.

On why Aadhaar being made mandatory for I-T returns, Jaitley said that many persons have been found with multiple PAN cards and that's why the government felt the need to introduction the system.

Source- *The Economic Times*

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### **E-tailers yet to comply with RBI guidelines on providing seller details**

Leading e-tailers like Flipkart, Amazon and Snapdeal are not complying with the recent Reserve Bank of India notification dated March 9, where they've been asked to provide details of sellers on their respective platforms.

The guidelines come at a time when online seller associations have been asking for a redressal system to be have in place where e-commerce vendors can put forward their concerns.

Source- *The Times of India*

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### **Fintech lending start-up Qbera launches operations in Bengaluru**

Fintech lending start-up Qbera, which offers personal loans to salaried professionals who earn a net of at least Rs. 20,000 a month, has launched its operations in Bengaluru.

The start-up has partnered with RBL Bank to disburse Rs. 150 crore worth of personal loans, without collaterals, to the under-served segment of salaried professionals across the top 13 markets in India by the year end.

Source- *Business Line*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

### **Razorpay Wins 'The Best POS Innovation' Award**

Razorpay has won an award for its product innovation in the prestigious 'The Innovation Project' by PYMNTs.com, held at Harvard University, Cambridge on March 16, 2017. The award was given to Razorpay for developing and launching an ePOS app in a week.

The PYMNTS Innovation Awards celebrates the companies, and men and women, who have made the most significant contributions to innovation in payments and commerce in the past.

Source- *Business Wire*

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### **Wal-Mart to launch investment arm in e-commerce push**

Wal-Mart Stores Inc, the world's largest retailer, will launch its first investment arm to expand its e-commerce business in partnership with retail start-ups, venture capitalists and entrepreneurs.

The venture, called Store No. 8, will work with startups that specialize in areas that include robotics, virtual and augmented reality, machine learning and artificial intelligence.

Source- *Fm106.5*

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## Start-ups have opportunity to leverage data, AI for growth

Manish Singhal, Founding Partner at Pi Ventures said that as India has become a centre for data science for several global firms, start-ups are looking at the opportunity to leverage local data to build solutions for India's problems. As more entrepreneurs emerge, investors are not far behind.

Pi Ventures are a \$30 million fund which exclusively invests in applied cases of ML (Machine Learning companies) and AI (Artificial Intelligence).

Source- Business Standard

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## Global digital payments major Payoneer eyes big play in India

New York-headquartered digital payments services provider Payoneer is reaching out to entrepreneurs, freelancers and small and medium businesses (SMBs) to use its platform to pay or receive moneys in international currencies at low cost.

Payoneer conducts transactions for businesses across 200 countries, providing a platform to transact in about 150 currencies. Unlike banks, there is zero transfer fee and no documentation charges. It saves up to 71 per cent on currency conversion compared to other payment solutions.

Source- Business Line

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## Chat apps: From Flock to Teamchat, 4 team messenger apps you can talk business on

HipChat offers standard business communication features such as drag and drop file sharing, group messaging, video and audio chats, categorising chats, bookmarking. The app lets one create unlimited chat rooms, or simply have one-to-one conversations.

It has a simple, uncluttered user interface with social media sharing features. One of the interesting features of HipChat is that one can invite guest users of the company, like clients, vendors, and other third-parties into a HipChat group chat room.

Source- The Financial Express

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## Bank's UPI app glitches led to fraudulent transactions, says NPCI and iSpirt, following BoM complaint

National Payments Corporation of India (NPCI) and iSpirt have come together to put out a joint statement pertaining to the security aspect of unified payments interface (UPI). According to NPCI and iSpirt, the recent spate of fraudulent transactions occurred due to some glitches in the Bank of Maharashtra's (BoM) UPI app.

Source- Tech2

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## Rajasthan requests Centre to waive digital payment charges

The Rajasthan government has written to the Centre for waiving different types of financial charges on Aadhar-enabled payment system (AePS) to promote cashless transactions in the public distribution system (PDS).

The state has also requested the Centre to ask telecom service providers to ensure connectivity at 135 locations in the state where PoS devices don't work because of lack of connectivity.

Source- Hindustan Times

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## Snapdeal says not in talks with Flipkart, Paytm for sale

E-commerce marketplace Snapdeal on Wednesday firmly denied that it was in talks to sell the firm, after Mint newspaper reported the company was in talks with domestic rivals for a potential sale.

Snapdeal said that the information is incorrect and without basis. We are making decisive progress in our journey towards profitability and all our efforts are aligned in this direction.

Source- Hindustan Times

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