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Today's View

Bank Account Portability

The RBI in 2012 had allowed intra bank portability of bank accounts which meant that one could transfer his account from one branch of a bank to another branch without changing the account number. With the advancement of technology, the idea of inter bank portability of a bank account without having to worry about losing direct credits or missing out on payments being made against standing instructions, could soon become a reality. Until now the bank account has been considered amongst the stickiest of the customer relationships due to standing instructions, salary credits, bill payment linkages, etc.

RBI deputy governor, Mr. S.S. Mundra has been frequently talking about this possibility. The 3 pre-requisites to this are unique ID, shared payment system and central clearing system, all of which are nearly in place now (though not fully yet).

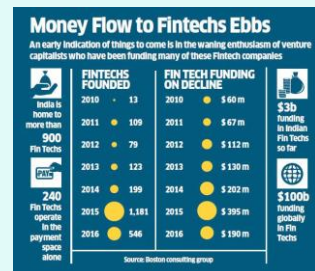
Today, the idea seems all the more probable because through the Aadhaar Payment Bridge System, payments happen to an individual based on his Aadhaar number if the bank details are linked to Aadhaar. (this technology is currently used for all DBT transfers). Moreover, the regulator has in the past drawn parallels with the telecom sector and said that India should be a global pioneer in facilitating bank account portability.

Bank account portability could probably be amongst the strongest catalysts for banks to compete vigorously and improve the customer service levels further.

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Fintechs, banks understand the need for co-operation

Banks need fintech companies to truly harness the power of technology. Incumbents cannot afford to resist change in this day and age.



With high mortality in the tech sector and realisation in banks that it only hurts to turn away from technology, the need for co-operation is being seen.

Source- The Economic Times

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Date- 22nd Mar 17

Cash transaction limit lowered to Rs 2 lakh

As part of an unprecedented 40 amendments to the Finance Bill, the Rs 3-lakh limit proposed for cash payments in the Budget for 2017-18 would be brought down to Rs 2 lakh.

The amendment related to reducing the cap on cash transactions comes amidst reports that digital transactions had declined after a spurt after demonetisation.

Source- Business Standard

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Aadhaar to be mandatory for income tax returns, getting PAN

The government proposed that from 1 July, every taxpayer will have to quote Aadhaar while applying for a PAN and while filing income-tax returns. Further, existing PAN holders will have to disclose their Aadhaar numbers to the government by a date that will be specified later.

In case of failure to intimate the Aadhaar number, the PAN allotted to the person shall be deemed invalid. The government's move to link Aadhaar will help in weeding out tax evaders who have multiple PANs.

Source- Mint

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RBI issues draft master circular for revised PPI norms

The Reserve Bank of India has asked all prepaid payment licence holders who mostly issue mobile wallets to convert their minimum KYC (Know Your Customer) wallet accounts into full KYC account by June 30 of this year.

It has also laid out minimum net worth criteria for wallet issuers to Rs 25 crore from minimum paid up capital of Rs 5 crore earlier. In also a major step forward the regulator has proposed making PPIs interoperable across the banking system.

Source- The Economic Times

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E-commerce companies at the receiving end, complaints swell to 49,000

As many as 48,998 complaints were received against e-commerce companies at the NCH during April-February of 2016-17, a considerable jump from 28,331 for the whole of last year.

For speedy redressal of these complaints, the National Consumer Helpline (NCH) has partnered with 225 companies under a convergence programme.

Source- The Economic Times

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

Payday loans: As start-ups target young India, are these loans worth it?

The concept of payday loan was quite popular in developed countries wherein the lender provided loans which were given in advance of the next pay cheque to blue collar workers who lead their life from pay cheque to pay cheque. Interest charged on these loans were generally on the higher side as they are unsecured.

According to some market research agencies, the payday loan market in India is estimated at Rs 70,000 crore which is expected to grow at the rate of 14% per year.

Source- The Financial Express

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Flipkart, Amazon take divergent routes for next phase of growth

Flipkart is instead trying to sell more products in untapped categories to its existing users, rather than spending cash and effort on increasing the absolute number of online shoppers.

Amazon, on the other hand, will lead the expansion of the e-commerce market as it adds all kinds of products and maintains its high levels of advertising spending, which is aimed partly at attracting new users.

Source- Mint

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'Digital India' is the theme of MIT conference this year

Massachusetts Institute of Technology (MIT) students have invited senior minister Ravi Shankar Prasad for a day-long brain-storming session on 'Digital India' to discuss the progress made by India in digitisation, the challenges that lies ahead and its impact on the socio-economic fabric of the country.

It is said that in the same context they will explore innovative ideas and practical solutions adopted by different entities - government, big corporations and emerging start-ups - to empower the country with increased access to digital.

Source- The Economic Times

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Source- The Economic Times

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IQLECT provides insights in real-time, makes data analytics affordable

Data is perishable and real-time insights are the need of the hour for businesses such as e-commerce, financial services, and the Internet of Things (IoT). IQLECT is trying to make real-time big data analytics simple and affordable for all.

IQLECT have implemented their solutions for data centre monitoring, website monitoring and fraud detection in e-commerce, financial services, and media and telecommunication industries.

Source- The Financial Express

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Alibaba buys out online ticketing platform Damai

China's Alibaba Group Holding Ltd has fully acquired online ticketing platform Damai.cn, marking a further push into entertainment by the firm as it expands beyond its core online retail business.

Alibaba first invested in Damai in 2014. Alibaba said that Damai.cn will be a powerful platform to distribute thir media content as well as expand their user reach and engagement.

Source- The Economic Times

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What is Samsung Pay?

It is a mobile payment service by Samsung India Electronics Pvt. Ltd. that allows you to pay for goods and services simply by waving your Samsung smartphone near a cash register instead of swiping a credit card or doling out your payment information.

Samsung Pay is currently available in 14 countries including the US, China, Spain and Australia, with India and Sweden being the latest entrants. It was initially launched in August 2015 in South Korea.

Source- Mint

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IndiBizForSale: Start-up helps buy and sell start-ups

IndiaBizForSale is a one-stop solution for SMEs looking to sell their units, right from getting the unit "marketing-ready" to preparing paperwork and conducting financial checks like business valuations.

It has also started listing businesses looking for investment partners or those looking to expand through joint ventures and mergers. Currently, it has start-ups from the Internet of Things (IoT) space on the platform, who are looking for franchise partners.

Source- The Financial Express

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