

NEWS HIGHLIGHTS

Govt to bear MDR charges on digital transactions up to Rs 2k

UIDAI suspends Airtel, Airtel Payments Bank's e-QYC licence

Govt e-market seeks Nasscom help

Amazon to strengthen fintech space with stake in Capital Float

Paytm to invest Rs500cr to integrate merchants in QR payments

Today's View

Bionic Advisors

In recent times, the term “robo advisor” has created a buzz in the wealth management space. So much so that some financial professionals feared computer algorithms would replace human advisors. Yet, it has quickly become clear that a computer alone cannot offer nuanced advice, address complex life situations or understand the emotional aspects of investing.

And this is interestingly true for investors on both ends of the spectrum, viz those with modest financial investing experience as well as HNI's with substantial exposure. Ofcourse the product requirements are different but the need to engage a human for advice remains.

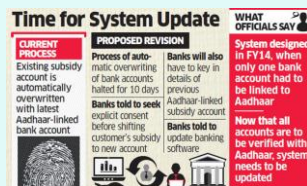
Enter Bionic Advisor: a human adviser using technology extensively. This unique concept of combining the best of both worlds is gaining traction. Research by Cerulli Associates highlights there has been a 10% increase in the number of households that consult with an advisor over the last four years, suggesting that clients are increasingly becoming reliant on advisors. The USP of the bionic-advisory model is that it integrates automation with human interaction, ensuring the best advisory solutions for investors. Although the concept of bionic-advisors resembles robo-advisors - especially in terms of cost effectiveness and transparency - they still score over robo-advisors, thanks to the human element in the bionic model.

Several fintechs have started implementing this unique proposition. Singapore-based platform Bento, known as Asia's first 'bionic' advisor, combines high-tech algorithms and classic human intuition to devise investment strategies for its clients. The algorithm automatically rebalances

INTERESTING NEWS

Process to link DBT accounts with Aadhaar to be overhauled

The government is overhauling the process followed by banks for mapping Aadhaar-linked bank accounts to subsidy payments.



Banks were directed to halt the current process for the next 10 days until their core banking software was amended to adopt the new system. The money for subsidies was automatically transferred to the last account seeded with Aadhaar.

Source – The Economic Times

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Date – 18th Dec 17

clients' portfolios every quarter taking into account things like market performance and valuations.

Even firms that had previously provided a purely automated platform are leveraging this concept. Betterment, one of the first robo advisors, is now letting investors choose between a purely digital model and one with access to human financial advisors.

Even Indian fintechs are banking on bionic advisors. AdviseSure, a bionic-advisor launched in India, is providing advisory services across multiple product categories, including mutual funds, systematic investment plans (SIPs), tax-saving schemes, national pension system (NPS), etc.

Ultimately, Robo or Bionic, good advice is what the customer is looking for, and should get.

Watch out this space for Bank of Baroda's Wealth Offering. And download our goal-based MF investments's platform, Baroda m-Invest, [here \(Android\)](#) or [here \(iTunes\)](#).

Today's News

Government to bear MDR charges on digital transactions up to Rs 2k

The government will bear the MDR charges on transactions up to Rs 2,000 made through debit cards, BHIM UPI or Aadhaar-enabled payment systems to promote digital transactions, IT Minister Ravi Shankar Prasad said. MDR is charged on payments made to merchants through BHIM UPI platform and AePS (Aadhaar enabled Payment System).

The merchant discount rate (MDR) will be borne by the government for two years by reimbursing the same to the banks. The move will have an impact of Rs 2,512 crore on the exchequer.

Source – *The Economic Times*

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UIDAI suspends Airtel, Airtel Payments Bank's e-KYC licence

The UIDAI has temporarily barred Bharti Airtel and Airtel Payments Bank from conducting Aadhaar-based SIM verification using eKYC process as well as e-KYC of payments bank clients. This follows allegations of Bharti Airtel using the Aadhaar-eKYC based SIM verification process to open payments bank accounts of its subscribers without their 'informed consent'. UIDAI also took strong objection to allegations that such payments bank accounts are being linked to receive LPG subsidy.

Source – *Business Standard*

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This News Letter has been prepared with the assistance of Sadhika A. and Manish Kulkarni

Nearly 50% of PANs linked to Aadhaar so far, says UIDAI chief

Close to 14 cr out of about 30 cr PANs have been linked to the Aadhaar. The linking of bank accounts to the biometric identifier is better, with 70% of estimated over 100 cr accounts having already been seeded, UIDAI CEO Ajay Bhushan Pandey said.

The SC extended the deadline for Aadhaar linking to March 31, 2018.

Source – *BusinessLine*

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Bitcoin takes bigger Wall Street stage with smooth CME debut

Bitcoin futures started trading on CME, a week after the CBOE Exchange. CME is a much bigger player in futures, so many traders expected it to make a bigger splash. CME got off to a faster start with more efficient pricing. Its most-active contract changed hands 221 times in the first hour versus 570 during Cboe's debut.

Source – *Bloomberg*

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SoftBank pushes Flipkart to focus on growth, share

Flipkart is focused on boosting market share rather than narrowing its losses. SoftBank is pushing Flipkart to make sales growth and market expansion (up to 60-70% over the next few years) its top priority.

Source – *Livemint*

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Govt e-market seeks Nasscom help

The central government is taking help from Nasscom on the problems of software providers enlisted on the Government e-Marketplace (GeM) platform. The vendors have complained of several difficulties in listing their products on the portal, primarily in price discovery. Nasscom has been asked to look into the issue.

All domestic IT majors — Infosys, TCS, Wipro, etc. — are in the fray. However, says Nasscom, the number of active software products continue to trail those of hardware products. A possible solution to this might be standardized formats, digitally signed, by senior management in the original equipment manufacturing space.

Source – Business Standard

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Amazon to strengthen fintech space with stake in Capital Float

Amazon is looking to expand its footprint in the Fintech space and is in talks to invest in Capital Float. Capital Float, which has so far focused on small businesses, is also set to start consumer financing on Amazon's platform, apart from the ecommerce seller financing it already does.

A person said that Amazon may invest \$5-10 million as an extension of the recent round raised by Capital Float.

Source – The Economic Times

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Paytm to invest Rs500cr to integrate merchants in QR payments

To integrate its offline merchants into seamless QR code-based payments, Paytm plans to invest Rs 500 cr. The move will remove the restrictions that the merchants previously had on an amount they could accept or charges they had to incur while moving the amount from the wallet to a linked bank account.

To help merchants understand the process, Paytm also pushed into service a network of 10,000 agents for training and explaining the added benefits of accepting Paytm QR payments.

Source – Times Now News

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Bitcoin-inspired illicit investment schemes to face regulatory axe

SEBI will come down heavily on illicit 'initial coin offers' seeking public investments with the promise of high returns from Bitcoins and other virtual currencies.

SEBI is not keen to take on the mantle of a regulator for such 'trading' — as the underlying product, which is Bitcoin or any such cryptocurrency, is not an approved product by RBI or any other agency.

Source – Moneycontrol

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Wearables data may influence your health, life insurance premiums

The IRDAI formed a working group to examine innovations in insurance involving IoT or portable devices. It has already recognized the role of wellness aspects in risk assessment and product design in its health insurance regulations issued in July 2016. It allows general and health insurers to devise mechanisms or incentives to reward policyholders for preventive and wellness habits.

Source – Livemint

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You have to pay taxes on gains from bitcoins

Taxation on bitcoins will be applicable depending on how one treats income from bitcoins, based on the frequency of transaction. If the gain arises due to trading, it will be treated as business income. In case the gain arises due to increase in prices while one holds it as an investment, the gains will be treated as income from other sources.

If one trades in it regularly, then the gains from the sale of bitcoin will be business income and the loss would be business loss. In case one holds a bitcoin for longer duration and then sells it, the profit will attract capital gains tax. If one holds bitcoin for not more than 36 months, the gain arising from it will be considered short-term capital assets. In case of short-term capital gains, the gains from sale of bitcoins would be taxable at applicable slab rates plus surcharge and cess.

Source – Livemint

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