



NEWS HIGHLIGHTS

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Amazon India starts offering UPI as payment option

eNAM handled commodities worth Rs 36,000 cr till mid-Jan

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Today's View

SupTech: Improving Supervision

Let's imagine a scenario where a bank is about to initiate a trade position when a warning message pops up on the computer screen from a regulatory agency notifying a compliance violation even before the trade is entered. This proactive supervision is now possible, thanks to **SupTech (Supervisory Technology)**.

SupTech is a focussed term that evolved from **RegTech**. While RegTech is focused on assisting regulatory agencies regarding compliance with laws and regulations, SupTech lets supervisors conduct supervisory work and oversight more effectively and efficiently.

Currently, supervisory agencies perform onsite audit to identify violations and non-compliance. With the emergence of SupTech, the audit can be in part digitized and done remotely, reducing compliance costs to the agency and increasing frequency and engagement between regulators and institutions.

Multiple regulatory and supervisory agencies have already initiated steps to explore SupTech. **Monetary Authority of Singapore (MAS)** has been pioneer in this space. It has set up a dedicated **Supervisory Technology (SupTech) Office** to promote data analytics capabilities within the financial industry and foster innovations to make regulatory compliance more efficient and effective. For instance, they have started using techniques such as clustering and network analysis in supervision of the financial markets and monitoring of AML/CFT risks.

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Top online vendors mull jumping ship

Amazon India and Flipkart's apparent focus on a few select merchants is forcing several top sellers to redraw their strategies.

<p>Cloudtail and Appario on Amazon India, and Omnitech, Supercomnet and WS Retail on Flipkart, work closely with these platforms</p> <p>Experts say these seller entities could be controlling 60% of sales</p>	<p>Other large sellers such as Cart2India, RedLily and Deal Kya Hai saw sales drop by about 60% last year</p> <p>Association of 3,500 merchants says many vendors saw sales from ecomm marketplaces dip from 90% in 2016 to 15%</p>
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These merchants work closely with these platforms and cover a large chunk of their sales.

Source – *The Economic Times*

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Similarly, **Alliance for Financial Inclusion (AFI)**, an alliance of central banks from emerging markets, has been working on SupTech to accelerate the adoption of proven and innovative financial inclusion policy solutions with the aim of making financial services more accessible to the world's unbanked.

The use of advanced techniques of SupTech has already started showing results for various institutions. In the U.S., **Securities and Exchange Commission (SEC)** has obtained a settlement against a broker-dealer for its failure to adequately train its representatives when they were selling certain complex debt instruments. Based on custom analytics tools of SupTech, millions of trading records have been efficiently analysed to identify over 8,000 retail customers for whom the investment in the debt instruments was inappropriate.

Though use of advanced technology tools in SupTech has delivered promising results, some experts believe that over-dependency of technology can make employees of supervisory agencies less involved in the decision-making process, which may result in missing some significant compliance violations or even financial crimes.

We believe that SupTech has the potential to help supervisors improve efficiencies by standardizing reporting and streamlining data collection and analysis. It would not only lower costs for compliance, but also result in fewer fines for institutions as co-operation between institutions and regulators improve through technological innovations.

Today's News

Government consults industry on cross border digital trade

In the run-up to the mini ministerial of 40-odd countries next month, the government has begun consultations with industry on how to deal with issues related to cross border digital trade in the World Trade Organisation (WTO).

India will host some rich and developing countries for a two-day 'mini-ministerial' on March 19-20 in which WTO director general Roberto Azevêdo is expected to participate.

Source – *The Economic Times*

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Google India launches campaign to protect data, devices

To create awareness around Internet safety, Google India on Monday launched a public initiative "#SecurityCheckKiya" to protect young and first-time web users from account hijacking, safeguard Android devices from malicious apps and secure all their personal data if they lose their device.

Source – *YourStory*

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This News Letter has been prepared with the assistance of Manish Kulkarni

Kishore Biyani explores Future Group's journey with Amazon

Who will buy into Future Group first — Amazon or Alibaba Group? It seems to be advantage Amazon at the moment with Future Group founder Kishore Biyani having met Jeff Bezos in the US two weeks ago to discuss a possible alliance with the Indian retailer which controls nearly a third of the country's organised food and grocery market.

Biyani has, however, also travelled to China to meet Alibaba officials in the recent past to study its model and see if that can be replicated in India.

Source – *The Economic Times*

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Amazon India starts offering UPI as payment option

Amazon India has introduced Unified Payment Interface (UPI) as a payment method on its mobile apps, enabling customers to make payments for their purchases.

As of now, the payment method is available for all transactions valuing Rs 10,000 or less on its mobile apps and mobile website, as per a note on the company's website.

Source – *The Economic Times*

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Apple, Cisco team up with insurance companies to offer cyber policy discounts

Apple and Cisco Systems have teamed up with insurer Allianz SE to offer discounts on cyber insurance to businesses that primarily use equipment from both technology companies

The arrangement, which also includes insurance broker Aon Plc, will help businesses fortify their cybersecurity defenses and make them eligible to score more favourable terms for cyber coverage, such as lower or no deductibles, along with support services in the event of attack, the companies said.

Source – *The Economic Times*

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eNAM handled commodities worth Rs 36,000 cr till mid-Jan

Agricultural commodities worth over Rs 36,200 crore have been transacted on the electronic National Agriculture Market (eNAM) portal since its inception on April 14, 2016, Minister of State for Agriculture Gajendra Singh Shekhawat told the Rajya Sabha.

Agricultural mandis participating in eNAM handled 1,51,14,847 tonnes of agricultural produce in 55,35,953 transactions till January 20, the Minister said in a written reply to Congress MP MV Rajeev Gowda on last Friday.

Source – *Hindu BusinessLine*

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Digital firms with ‘big presence’ in India will have to pay taxes here

Digital players such as Google, Facebook and mobile application services providers must pay taxes in India on income generated from Indian consumers even if the companies’ infrastructure is physically located abroad.

According to a new proposal in the Finance Bill, entities involved in digital transactions shall be considered to have significant economic presence in India, whether or not the entity has a residence or place of business in India.

Source – *Hindu BusinessLine*

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At the Auto Expo this year, it’s an E-show all the way

Automakers are pressing the E-button in a big way as they give you a glimpse of the future at India’s biggest motor show. At the 2018 edition of the Auto Expo, which kicks off later this week in Greater Noida, electric and hybrid vehicles, and smart mobility are the big themes.

It’s also E for ‘Entire Mobility Eco-System’, say the joint organisers — ACMA (Automotive Component Manufacturers Association of India), CII (Confederation of Indian Industry) and SIAM (Society of Indian Automobile Manufacturers).

Source – *Hindu BusinessLine*

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Capgemini to buy LiquidHub for about 400 million euros

Capgemini said it would buy digital IT firm LiquidHub for about 400 million euros to boost its digital consulting capabilities in North America.

The Paris-headquartered IT services company said it had paid two times revenue for Liquidhub, which expects to report revenue of about 200 million euros for 2017. LiquidHub has about 2000 employees globally.

Source – *The Economic Times*

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Ecosystem launches digital platform to disrupt tech research industry

Ecosystem has launched its digital research platform. With a promise to democratise data availability, accessibility and transparency, the platform which launches in beta ahead of a wide rollout in March, deconstructs traditional research models to offer affordable, dynamic insights for an all-you-can-eat monthly subscription in a global first.

Using a ‘shared economy’ model, Ecosystem’s integrated platform brings together technology buyers and vendors to generate community data; and a global, syndicated network of independent subject matter experts offering unrivalled industry expertise and insight within their respective fields and markets.

Source – *The Economic Times*

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