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**Federal Reserve wants a say on U.S. fintech rules**

**Mobile phones, Aadhaar might soon be gateway for air travel**

**NABARD to speed up digitisation of SHGs under EShakti initiative**

**Paytm to raise Rs 12,000 crore from Softbank in largest e-commerce funding**

**Today's View**

**The Law of Privacy**

"Trust God's process and timing ~ He's got you covered!"

Except data privacy, maybe. For those following news around Digital India would know the data breaches that have happened in the recent past. In Jharkhand, the Aadhaar numbers of lakhs of pension beneficiaries were displayed on a website of the state government due to an error last week. Similarly, the central water and sanitation ministry had also uploaded Aadhaar numbers of beneficiaries of the Swachh Bharat Mission Gramin on its website. In December last year, it was reported that the electronic medical records (EMR) of over 35,000 patients held by a Maharashtra-based pathology lab were leaked. Sometime earlier, almost 3.2 million debit cards got affected due to financial data breach.

Data Privacy is one of the fundamentals of a digitised society and with rapid growth of digitisation, there is an urgent need for laws and regulations to ensure every stakeholder—consumers, corporates, government— gains from this shift towards a digital lifestyle without slipping on privacy issues.

With the rapid penetration of smartphones in our lives, each of us use at least 10 to 15 apps on an average. How many of us do actually read the terms and conditions before clicking on "I Agree"? For any of these apps that we use, be it for digital payments, chatting, hiring a cab or ordering groceries there is colossal amounts of digital data that gets created and stored at the other end. Using this data to study consumer preference and for targeted marketing is one thing but what happens when this personal data gets leaked and reaches wrong hands.

Similarly implementation of GSTN will be a huge step towards digitisation of businesses. Almost 70 lakh taxpayers, who pay excise or service tax or VAT to state Governments will be on one unified platform and file all returns digitally. Imagine the amount of data this will generate.

**OTHER INTERESTING NEWS**

**Amazon crashes digital gate**

Amazon is giving companies an option to distribute their digital subscriptions without relying on the storefronts controlled by Apple and Google



For the hundreds of millions of customers who have Amazon accounts tied to their credit cards, now it's easier to buy from Amazon than handing over their personal information multiple times to sign up individually for multiple companies.

Source- Mint

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Date- 2<sup>nd</sup> May 17

In the words of Nanadan Nilekani, "India has a unique opportunity to draft a very modern data protection and privacy Bill which can be superior to what is happening elsewhere in the world".

We second that thought and feel that the laws should be drafted to protect all forms of personal data, such as passwords, financial information, health conditions, medical history, biometric information along with a requirement to seek consent of individuals before collecting any personal information, and letting them know the end use of this data.

## Japanese banking consortium continues push into fintech, turns to blockchain

A consortium of Japanese banks are experimenting on a new fund transfer system based on blockchain technology in a bid to spur growth in the fintech sector, while also driving down costs and increasing security.

The consortium will be running tests of blockchain technologies' suitability for wiring money, and the first test will be designed to examine the time, cost and convenience of virtual currencies.

Source- Tech Wire

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## Mobile phones, Aadhaar might soon be gateway for air travel

Minister of State for Civil Aviation Jayant Sinha said the ministry is working on the initiative to ensure the whole air travel experience is completely digital.

The whole experience would be completely digital so that you wouldn't need any paper and you would be able to book your car to the airport, get into the airport, get a digital boarding pass, board your aircraft, take a car way back and do all of that just with your mobile phone

Source- Business Standard

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## Govt departments submit plans to meet digital transaction goal

Central government departments and ministries submitted their plans to achieve the government target of 25 billion digital transactions in 2017-18.

All the major government departments have made detailed presentations on how they would go about the digital payment initiative, the strategy and action plan to achieve this

Source- Mint

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

## Paytm to raise Rs 12,000 crore from Softbank in largest e-commerce funding

Alibaba-backed online marketplace company Paytm, which is in a rapid expansion mode, is in talks for a fresh round of funding for investment in banking and finance, besides other expansion plans. The company is looking to raise around Rs 12,000 crore from Japan's SoftBank.

At present, Paytm operates a mobile wallet and e-commerce marketplace. With over 1.5-billion transactions on its platform, the company now aims to cross the 4.5-billion mark this year.

Source- Business Standard

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## Zoho bets big on finance software to drive growth

Product software maker Zoho is bunching together its financial technology applications along with a layer of GST-related compliance software to enable small enterprises deal with the tax reform as it kicks in this year.

The company produces software that helps business run their accounting, manage human resources, deal with customer relationships and even write mails and make spreadsheets.

Source- The Economic Times

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## Federal Reserve wants a say on U.S. fintech rules

Federal Reserve wants to give input on future rules governing how technology companies move into consumer lending markets, Fed Governor Lael Brainard said on Friday. Office of the Comptroller of the Currency (OCC), a leading regulator for national banks, has said it is open to a new type of banking charter for technology companies.

Source- Hindu Business Line

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## NABARD to speed up digitisation of SHGs under EShakti initiative

The aim of the initiative is to digitise all self-help groups (SHGs) under its Micro Credit and Innovations Department and reduce the drudgery of book keeping and cut the dependence on cash transactions.

NABARD, under its EShakti initiative, has so far digitised around 1.29 lakh SHGs covering 14.86 lakh individuals in the country.

Source- Hindu Business Line

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## Banks, IRCTC lock horns over payment gateway policy

Under its new policy, IRCTC wants new banks wishing to integrate with IRCTC's payment gateways to put up Rs 20 lakh as a security deposit, while those already present must pay Rs 10 lakh. Banks must also share half of the convenience fees they levy on passengers.

IRCTC is one of the 11 state-run companies in which the government plans to sell shares this year. The new policy comes in the backdrop of the government waiving all charges levied on rail bookings, a move that threatens to take away a major chunk of its earnings.

Source- Mint

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## FinMomenta launches peer-to-peer online lending platform Tachyloans

Singapore-based fintech start-up FinMomenta has launched its operations to tap individuals and businesses that are considered 'risky' by the bigger NBFCs and banks.

In April last year, the RBI had issued a discussion paper to regulate the P2P segment as the borrowers and lenders on the platform connect with each other directly.

Source- Hindu Business Line

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## Oman- NBO completes first pilot cross border banking transaction using blockchain technology

Underscoring its position as a front-runner in digital banking solutions, National Bank of Oman (NBO) announced the successful completion of the international remittances pilot project using blockchain technology.

Blockchain is an innovative technology that is poised to transform the banking industry by facilitating financial transactions to be executed cheaply, quickly and securely. It is fostering a new generation of transactional applications that establish trust, accountability and transparency

Source- MENA FN

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## Fintech Incubator From Mizuho Financial

In its latest move to try to keep up with advances in financial technology, Japanese banking giant Mizuho Financial is establishing an incubator for virtual currency and AI-based loan-screening ventures.

The incubator's main purpose will be to nurture fintech startups, but it will also consider takeovers and initial public offerings should any of its fledglings turn profitable.

Source- FINews

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