



## **IAMAI to Call for a Meeting of Founders to Address Google's Latest Announcement**

**New Delhi, 29 September 2020:** Under the studious title of “Developer Program Policy Review: Payments” Google has made it compulsory for developers to use Google Play Billing system as the only method of payment. The heavily hyperlinked update, with the first hyperlink appearing below the header, announces, “Play distributed apps must use Google Play’s billing system as the method of payment if they require or accept payment for access to features or services, including any app functionality, digital content or goods”. This applies only to apps and has been purportedly done to prevent revenue leakages to Google from Google Play from January 2021.

The Indian Founders’ community is on fire at the announcement of the policy. The primary likely reason is perceived dominance of Google Billing System. As a payment aggregator, currently unlicensed but soon to be licensed in India, Google Billing System can choose which payment instruments it would work with and which ones it would not. The new draft RBI guidelines on payment aggregators, too, allows for that freedom. The compounding factor for many founders is the current revenue sharing policy of the Play. The "current payment policy link" also explains that Google Play has a revenue sharing model with all apps, which is 30% of all transactions. For example, if a user subscribes to a VoD platform for INR 900 per annum on the app only 30% of that is charged to the platform as revenue share. This does not apply to other app stores on Google Play.

Vishwas Patel, Founder, CCAvenues and Chairman, Payments Council Of India said, “Just because Google owns the gate and the gateway to the digital ecosystem of this country, they should not act arbitrarily and enforce their rules and regulations which are contrary to our country’s laws. Also, they cannot force Indian Apps developers / owners selling digital services to compulsorily use the Google Billing and payment system and charge 30% MDR. They should not reject Indian Apps who are using RBI recognised Payment Aggregators and PG’s. He added, “Google’s stand in courts is that it does not need RBI authorisation as it is not a payment system operator and here it is mandating that Indian Apps use only Google’s proprietary Billing and Payment systems. Google should not exercise its dominant position, rather allow a level playing field for everyone in the ecosystem.”

Prima Facie, Google’s announcement today even if legal is certainly not innocuous. For many founders of Indian start-ups this brings back fears of the not so old deeply problematic revenue share model between VAS service providers [mainly digital goods] and Telcos. Telcos took up to 70% revenue share from VAS companies on the pre-text of discovery, marketing, collection. In India 98% of people use mobile internet, more than 90% of people use android phones which gives Google control over many layers between customers and their service providers.

IAMAI is seeking a meeting with its Founder members to understand their concerns and to resolve them.

### **About IAMAI**

The Internet and Mobile Association of India [IAMAI] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, and in the last 16 years has come to effectively address the challenges facing the digital and online industry including mobile content and services, online publishing, mobile advertising, online advertising, ecommerce and mobile & digital payments among others.

Sixteen years after its establishment, the association is still the only professional industry body representing the online industry in India. The association is registered under the Societies Act and is a recognized charity in Maharashtra. With a membership of nearly 300 Indian and overseas companies, and with offices in Delhi, Mumbai, Bengaluru and Kolkata, the association is well placed to work towards charting a growth path for the digital industry in India.

**For queries please contact:**

**Nilotpal Chakravarti – AVP- IAMAI**

[nilotpal@iamai.in](mailto:nilotpal@iamai.in) /+91-98106-72906

**Vishwapriya Bhattacharya**

[Vishwapriya@iamai.in](mailto:Vishwapriya@iamai.in) / +9184471-66068