

Budget will Boost Digital Start-up Ecosystem: IAMA

New Delhi, 5 July 2019: The Internet and Mobile Association of India (IAMA) welcomed the budget announcement by Honorable Minister of Finance Smt. Nirmala Sitharaman. The association believes the announcements will pave the way for the Indian economy in the form of promoting investments and focus on developing core infrastructure.

The association welcomes the initiative for a USD 5 trillion economy with the focus on heavy infrastructure, employment generation and digital economy. In particular, the association welcomes the new drive for promoting BharatNet under the Universal Service Obligation Fund, and the grander vision of the Pradhan Mantri Grameen Digital Saksharta Mission.

IAMA also welcomes the initiatives taken to promote entrepreneurship in the form of 80 livelihood business incubators and especially the 20 business incubators under the ASPIRE plan. The move to promote skills development in newer areas such as Artificial Intelligence, Big Data, Robotics, is a welcome step. **Subho Ray, President of IAMA** said: "Entrepreneurship in new age digital technologies are the future of Indian economic growth, and the Finance Minister's statement is an endorsement of the good work being done by the vibrant tech sector start-ups in the country." He said, "Digital platforms have a critical role in promoting entrepreneurship and livelihood generation in the country, and the association is working with its members in developing these potentials."

The association in particular thanked the Finance Minister for addressing some of the key issue it had highlighted in its pre-budget memorandum to the Minister. The first issue, Angel Tax for start-ups, has been a major concern for the industry for the last couple of years. IAMA welcomes the assurance from the Finance Minister that the start-ups and investors who file requisite declarations will not be subjected to any kind of scrutiny in respect of valuation of share premium. The proposed mechanism for e-verification is a welcome step as it addresses the key issues of the association for speedy recourse.

PCI & FCC which are formed under IAMA have welcomed the focus of the government on promoting a less cash digital economy. **Naveen Surya, Chairman Emeritus, PCI and Chairman FCC** said: "Vision of USD 3 Trillion economy is positive. To achieve such growth, investments and positive policy support is required. Digital payments and Fin Techs are high growth area and with right policies and support can work towards common goals. Considering digital payment penetration in retail of just 10-12% we need to grow opportunities to digitize and earn so more and more players can join in this less cash challenge. 2% TDS above INR 1 crore cash withdrawal is penalizing high usage of cash but would have moderate impact only. Industry suggestions and various reports had recommended to provide direct GST benefits to merchants for using digital payment options or complete exemptions on digital payments and domestic remittances."

FCC would also like to express its gratitude to the Finance Minister for accepting the request for allowing 100% FDI for insurance intermediaries like the distributors. The council made the request keeping in the mind the interests of the emerging Fin Tech services and its acceptance will help such

services evolve and offer better services to the country which will help the penetration of insurance to the last mile.

"We welcome the 100 percent FDI in Insurance Intermediaries. It's good they get parity with other financial services intermediaries." says Yashish Dahiya, Vice-Chairman, FCC and Co-Founder and CEO, Policy Bazaar

About Payments Council of India (PCI)

Payments Council of India (PCI) is a part of Internet and Mobile Association of India (IAMAI) and represents more than 100 players in the payments and settlement systems. Its objective is to address and help resolve various industry level issues and barriers which require discussion and action. The important stakeholders are prepaid payment issuers, payments banks, merchant aggregators and acquirers, payments networks, BBPOUs, UPI facilitators and international remittances facilitators

About Fin Tech Convergence Council (FCC)

FCC is formed under Internet and Mobile Association of India (IAMAI). FCC represents the FinTech industry and traditional companies in the BFSI space. The purpose of the Council is to encourage collaboration, seek complementarities and build synergy between leading BFSI companies and the emerging Fin Tech start-ups. The Council has worked towards interpreting the regulatory and legal framework, aggregating the concerns and feedback of the various players within the larger FinTech community, communicating it to regulators and lawmakers, and organizing events and gatherings for the industry participants to meet, share ideas and work together in the interest of creating a safer, more open and more collaborative operating environment through a transparent forum.

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 15 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.

Fifteen 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.

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