RECOMMENDATIONS ON BEHALF OF DIGITAL SERVICE PROVIDERS

in Context of COVID-19 Crisis

IAMAI
Internet And Mobile Association Of India
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Executive Summary

The Internet and Mobile Association of India [IAMAI] and its members share concerns about the present period of combating COVID-19 contamination and extend full support to the Government in its endeavor to implement social distancing and restricting the present pandemic.

The recent mandates of social distancing and restricted activities is affecting the digital services sector as badly as any other sector. While the association welcomes the proactive initiatives taken by the Central and respective State administrations to enforce a social and economic lock-down, IAMAI would also like to draw attention to the several operational challenges it imposes on the sector in its functioning. The present restrictions and the associated economic slowdown are as much of a challenge for digital service providers as for other sectors, even while the digital sector continues in its endeavor to assist the Government by all possible means.

Going forward, we also believe that our members can be critical stakeholders and can contribute and assist the Government during this crisis. For this, we believe, regulatory certainty and a status quo are of paramount importance, to ensure that resources and strategies are geared towards service delivery during the crisis and are not divided to deal with the additional burden of new regulatory and compliance requirements.

To this end, we would urge the Government to adopt a two-pronged approach to regulatory action:

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Our detailed submission in details is as follows:
Recommendations on Behalf of Digital Service Providers in Context of COVID-19 Crisis

The Internet and Mobile Association of India [IAMAI] and its members share concerns about the present period of combating COVID-19 contamination and extend full support to the Government in its endeavor to implement social distancing and restricting the present pandemic.

The digital services are critical in the present initiative of social distancing; and much of it would not have been possible without the advancements in services provided by the sector. Services like digital communications, social media, digital entertainment, e-commerce, healthtech, digital payments are critical tools of empowerment for both citizens in the period of lock-downs as well as for the government to ensure successful implementation of social distancing while ensuring basic services and facilities are made available to the best possible extent.

The recent mandates of social distancing and restricted activities is affecting the digital services sector as badly as any other sector. While the association welcomes the proactive initiatives taken by the Central and respective State administrations to enforce a social and economic lock-down, IAMAI would also like to draw attention to the several operational challenges it imposes on the sector in its functioning. The present restrictions and the associated economic slowdown are as much of a challenge for digital service providers as for other sectors, even while the digital sector continues in its endeavor to assist the Government by all possible means.

We welcome the delayed implementation of the proposed Section 194-O of the Income Tax Act, as initially proposed by the Honourable Finance Minister in her budget speech, from the final Finance Bill recently passed in Parliament. This was a collective appeal from the e-commerce sector to desist new implementation of TDS on e-commerce transactions at such times of crisis, and we thank the authorities for their consideration.

Going forward, we also believe that our members can be critical stakeholders and can contribute and assist the Government during this crisis. For this, we believe, regulatory certainty and a status quo are of paramount importance, to ensure that resources and strategies are geared towards service delivery during the crisis and are not divided to deal with the additional burden of new regulatory and compliance requirements.

To this end, we would urge the Government to adopt a two-pronged approach to regulatory action:

1. **Abeyance**, where the Government reduces stress and uncertainty in the system, and does not increase regulatory or compliance burdens by bringing in new laws and regulations, or amending existing frameworks, that will affect the businesses by causing the industry to shift focus, personnel and financial resources towards compliance preparation. This would also include maintaining a lenient enforcement approach in case of existing legal frameworks.
2. **Positive action**, where the Government facilitates approvals and clearances pending with various authorities to encourage economic opportunities, especially for products and services which are critical to the essential services.

During such challenging times, the sector would like to request for support from the Government to help the digital sector tide over the crisis and maintain business continuity, in order that it may continue to assist the Government, especially during the period of lockdown when digital services are most critical. We have structured the collective ask under three broad heads: Fiscal Measures, Regulatory Interventions and sector specific incentives for the Digital Sector.

**Suggested Fiscal Measures for the Digital Sector**

**Postpone Statutory Payments**
The lockdown means zero revenues for most businesses, including MSMEs start-ups etc. However, there are certain fixed monthly expenses that businesses cannot avoid, and that includes the critical monthly salary for employees. In wake of the ongoing lockdown, businesses are facing severe cash crunch which makes maintaining wage bills for employee pool difficult. In order to provide relief to employees, it is critical that certain compulsory deductions are waivered to allow businesses and employees certain leeway in terms of liquidity during this interim period.

*Therefore, IAMAI requests for temporal waiver on compulsory deductions such as TDS, EPF and ESIC for 6 months.*

**Expedite Tax refunds up to Fiscal 2018-19 for businesses**
As it is well understood, the present lockdown affects all businesses across sectors. For the digital sector, which includes many new and emerging start-ups, such a lockdown may prove to be extremely challenging even in the short or medium run. This in turn risks affecting employment and livelihood of all those directly or indirectly engaged with this sector. While the plea to continue payrolls even during such downtime is well appreciated by the industry, the businesses are bound to face some critical cash flow crunches which too needs to be given due consideration.

A critical cash lock-in for Indian businesses including the digital sector is the pending tax returns/Input tax credit with the exchequer. The tax return credits in some cases are pending for the last couple of fiscals. Such pending dues create operational challenges for small businesses and start-ups, especially during such crisis. Releasing these pending dues is a critical requirement to ensure these businesses remain afloat and are not forced to lay-off employees.

*Therefore, we appeal to the authorities to expedite the process of tax returns for businesses and corporates at the earliest.*

**Roll Back TCS obligations for e-commerce services**
e-commerce services have to collect TCS for transactions facilitated over their platforms, which creates an unlevel playing field for online operators vis-à-vis offline counterparts. The entire process of TCS has proved to be quite challenging for both platforms and services availing those platforms in
terms of periodic reconciliation, credit lock-ups and cashflow concerns for service providers, delayed Input Tax Credit and over all returns under GST.

Presently, with restrictions on physical movement, e-commerce services are expected to play a greater role is facilitating access to basic groceries and essentials, healthcare facilities, online payments and settlements, utility bill payments, etc. This in turn risks magnifying the challenges under TCS, especially for small-scale sellers and producers operating via e-commerce platforms.

For online platforms the entire process of filing and reconciling TCS is an extremely resource heavy and time-consuming process. Such platforms, presently operating with limited resources and under a critically constrained environment, are hard pressed to maintain services let alone handle such compliance burdens.

Creating artificial constraints on cashflows and compliance burdens for businesses at times of such crisis is best avoided given the criticality of the situation.

*Therefore, IAMAI appeals all processes of TCS under GST for e-commerce services be temporarily postponed and both platforms and sellers be allowed to file taxes individually.*

**Extend GST Threshold to Online Transactions**

Presently, the GST allows an exemption under income threshold of INR 20 Lakhs to all small businesses. However, such a threshold does not apply to sellers conducting businesses via e-commerce platforms. This in turn has proven to be a major disincentive for many small sellers to onboard e-commerce platforms just to avoid the compliance burden.

During such period of lockdown and social distancing, small sellers are challenged to conduct businesses in the physical world and e-commerce platforms can prove to a major respite for such sellers. However, onboarding for them would mean registering for GST first, which is both time consuming and an unwarranted burden during such times.

*Therefore, it is requested that the income threshold for small and petty businesses be extended to e-commerce transaction and non-GST registered sellers be allowed to conduct business online on the basis of their TAN/PAN registration alone.*

**Extend SEIS Incentives for Digital Services**

The Service Exports from India Scheme (SEIS), which was introduced in 2015 to promote exports of services via incentives of 2-5% in the form of duty-free credit scrips, is due to expire in 2020. Under the present global turmoil, all forms of exports are expected to take a hit and the services sector is especially susceptible to such shocks.

*Therefore, IAMAI suggests that the SEIS incentives are not discontinued in 2020 and be extended indefinitely as BAU for the sector till the present crisis is averted.*
Roll back Equalisation Levy on e-commerce
The digital industry has been taken by surprise by the sudden imposition of Equalisation levy (EL) on e-commerce services under the Finance Bill 2020 as adopted by Parliament.

The EL comes at a time of grave economic and social crisis, and e-commerce services incidentally are expected to play a critical role in abating the crisis. All services, including e-commerce service providers, are presently functioning under extreme duress and imposing a sudden levy on such a critical service is perhaps incongruous in the present context.

Moreover, the intent of such a levy was not announced by the Honourable Finance Minister in her budget speech and the industry was not prepared for it. A sudden announcement of EL on 23 March to be implemented from 1 April leaves very little time for the industry to prepare for it and that too under such challenging conditions.

Therefore, IAMAI suggests a moratorium on the decision of imposing EL on e-commerce services and requests a broader stakeholder’s consultation on the matter.

Suggested Regulatory Interventions for the Digital Sector

Desist from setting Floor Prices for Telecom Services
The office of TRAI has initiated a public consultation on fixing floor prices for telecom services, especially mobile internet access, on request from the telecom service providers which recently has been reduced to only 3 major players. The request, which could be considered as collusive practices, is expected to raise tariffs for mobile internet access considerably from existing rates.

Digital services and access to such services are a critical infrastructure at present; and is expected to be so even after the lockdown period. Any major increase in price for access to such services will prove to be detrimental not only to the digital services sector but to the overall economy at large.

Setting of floor price will also be a major departure for TRAI from its historical position of forbearance, that has borne fruit for the last couple of decades as proven by the proliferation of telecom services in India.

Therefore, it is suggested that any consideration for setting floor prices that risk raising tariffs for mobile internet services be avoided at present and TRAI continues with its historical position of forbearance.

Deferment of Consumer Protection Guidelines
The Ministry of Consumer Affairs has been engaged in drafting of the new consumer protection guidelines which has special emphasis on e-commerce services. The association and its members have engaged with the Ministry to highlight the several challenges the services foresee in the present suggested draft.

Given the enormity of the ask and in light of the present situation, it is requested that any actions on notification or implementation of the new provisions be put on hold temporarily till the present situation is passed.
Relaxations under e-pharmacy Draft Rules
The Ministry of Health and Family Welfare initiated a consultation on new e-pharmacy rules under the amended draft Drugs and Cosmetic Rules. The draft, already approved by the Drugs Consultative Committee (DCC) and the Drugs technical Advisory Board (DTAB) suggest certain restrictions on the functioning of online marketplaces for drugs and medicines in form of registration, scope of operation etc. In the present times of restricted access, online medicine services are playing a critical role for the millions depended on regular medicines for their daily or chronic needs.

Therefore, it is requested that any provision restricting free and full functioning of online healthtech platforms be removed at the present time of crisis.

Deferment of Intermediary Guidelines
The new draft Intermediary Guideline rules have been on the anvil for over a year. The rules, affecting all digital intermediaries that include services like social media, online marketplaces etc is critical for the future of the Indian digital sector. While the sector has actively engaged with the policymakers at all levels of consultation on the matter, it is understood that the Government has some definite contours in mind which is expected to be announced shortly.

- However, given the present situation, it is requested that the Amended Rules, as also any new regulatory changes, be put on hold till the present crisis is over and both the government and the industry takes stock of the economy and the fortunes of the respective sectors.
- In the meantime, the Principal Secretaries of all states may kindly be asked not take any coercive action against websites acting as mere intermediaries.

Abeyance for Personal Data Protection Bill
The Personal Data Protection Bill, presently under consideration for the Joint Select Committee in Parliament will have long run consequences for all businesses that collect personal data from individuals, and not only digital services. While the original intention of the Bill to ensure fundamental rights of individual privacy is well accepted, the present suggestions will require high levels of capital expenditure by digital services sector along with challenges for monetization and other operational challenges.

The present crisis in fact highlights the need for access to data, and the severity of challenge faced by authorities in monitoring the situation.

Therefore, it is requested that any decision-making process on the PDP be put on hold indefinitely till the Indian economy returns to some level of stability post the temporal crisis.

Developments on Profit Attribution to Permanent Establishments & Moratorium on Custom Duties on Electronic Transmission
The authorities for long have been mulling on addressing the issue of tax avoidance by digital service providers, and the initiative for a new formula for profit attribution to Permanent Establishment for digital services and revisiting the moratorium on custom duties for electronic transmission are two critical areas of intervention in the bigger global context.
However, the present global crisis over COVID-19 will have ripple effects for all global trades and services. Any such policy initiative that tries to contextualize the Indian digital sector vis-à-vis the global economy will warrant a complete relook post the present crisis. Therefore, it is requested that all such initiatives be put on hold till the global economy reaches some level of stable equilibrium.

Abeyance of Competition (Amendment) Bill, 2020
The Ministry of Corporate Affairs was presently engaged in a stakeholders’ consultation on amending the Competition Act of India, following up on the suggestions of the Raghavan Committee setup in this regard.

The proposed amendments suggest certain structural changes in the composition of the CCI, that may jeopardize the autonomy of the regulatory authority. Any such structural changes that risk opinion about the competition landscape in India can have dire consequences for foreign investments and ease of doing business in India, both of which are especially crucial to rebuild the economy in the aftermath of the current crisis.

Therefore, it is suggested that any such considerations be put on hold and maybe revisited once the immediate damage is controlled.

Sector Specific Incentives for Digital Sector
Exceptions for e-commerce services
As the logistics network comes under stress and other parts of the economy slows down due to social distancing, the e-commerce industry is working towards prioritizing the availability and delivery of essential commodities including the ones notified by the Government of India. The e-commerce industry continues to deliver a host of items to citizens such as groceries, food and drinks, medical supplies, household staples, educational items and other items necessary for ensuring normalcy in times of crisis and enabling people to be productive while working from home.

Therefore, IAMAI would like to suggest the following as immediate steps for relief for the sector:

- Any Executive Order or Section 144 restrictions, should include the exemption of warehouses and logistics & delivery facilities and services of eCommerce operators as an essential business exemption. We recommend this should include the essential services vendors and third parties needed to expand these essential delivery services. All warehouses, sort centres, delivery centres, delivery associates of the Ecommerce operators should be exempt from any restrictions.
- Similarly, any restrictions on transport of goods may be exempted from restrictions.
- We request that a Central guidance be issued to all States and other ground agencies implementing these orders clarifying the exemptions.
Incentives for Online Travel Aggregators

COVID outbreak could prove to disastrous for over almost 2 lac independent travel agents, tour operators and online businesses and up to 7 lac personnel working in the sector. This sector directly provides livelihood to over 9 lac of personnel including self-employed entrepreneurs, on-roll employees, call centre agents, retainers, insource and outsourced staff, women and individuals working part time from their homes as holiday expert.

Some specific challenges faced by micro-entrepreneurs in the homestay sector are:

- While the Tourism Ministry’s guidelines include voluntary registration, many states are interpreting the guidelines and making registration mandatory and including multi layered approval process. This is adversely impact potential micro entrepreneurship especially in rural and remote areas. It is therefore recommended that the Ministry issue an advisory to all states to either remove the requirement of mandatory registration or wherever registration is required by a state law, institute an online, single window, self certification based registration process.

- The Sarai Act 1867 is still being used by many states to the detriment of homestay owners. The Government of India had also considered, as part of its efforts to repeal old laws which are a source of inconvenience and trouble for people

- In many states such as Kerala, homestays are charged commercial rates for utilities. As you can appreciate, homestay operators are homeowners and for a significant number of homestay owners, this is their sole source or primary source of income. In such a scenario, paying commercial rates for utilities such as electricity and water makes a major dent in their earnings. It is requested that the states may be advised to make utilities as general rates available to homestay owners.

- In many states, in addition to multiple permits and NOC, they are also being asked to get NOC from the Pollution Control Board. The process for this NOC is akin to what is needed for large industries, hotels or resorts. You would appreciate that homes are not commercial establishment of any significance. Not only such requirement place additional significant financial burden (they are required to pay on the basis of the area of the house), it also adds an additional layer of process which is difficult to negotiate. It is therefore requested that the homestay should be declared as 'green industry' to ease their burden.

Some of the critical support requested are:

- Special announcement of term loans and Working Capital loans for the sector along with doubling of existing overdraft limits for the industry and immediate cash relief to be given to avoid mass lay-offs of employees.

- Deferment of Statutory Compliances, GST & Advance Tax payments at the Central Government level and removal of fees for any upcoming licenses/permits renewal.

- Temporal GST holiday for the sector covering hospitality service providers, transportation service providers and travel agencies/OTAs facilitating such services.
• The current rate of GST on homestays is from 12-18%. Given the significant economic slowdown, even post COVID-19, this would constitute an amount of money whenever a tourist is considering a stay. It is therefore requested that there should be no GST charged for a period of 12 months and the GST rate should be further brought down to 5% after a period of 12 months for all homestays.

• Validity of Licences/NOCs etc: Many businesses are approaching the expiry of various licences / approvals / NoCs / clearances, requiring renewals. The government should allow the firms to operate with the previously granted approvals for a period of next 6 months.

• Government to mandate guarantee of incentives to Travel Agencies and customer payments in case any airlines etc appeals for insolvency.

• In current situation some of the international airlines have sent force majeure notice to defer PLBs of OTA and travel agencies. We request the Government to define minimum commissions to be paid by airlines to OTAs and travel agencies with a condition that the committed PLBs gets paid to OTAs before the due date.

Promotion of Digital Payments

Digital payments are a critical component for all digital transactions. Much of e-commerce and various aspects of Work From Home rely on digital payments facilitated by bank, NBFCs, PPI and various other such instruments.

Key suggestions for Digital Payments sector are:

• The current situation of the COVID-19 lockdown has brought out the flexibility that Digital Meal Cards provide, as the employee works out of his home and is yet been able to be supported by the employer for their meal needs during their working day. Looking at the current uncertain situation and the change in the working environment, it is important to reconsider or defer the proposal of taxing Meal Cards for those employees who opt for the new tax regime under section 115BAC(ii). Digital Meal Cards may be considered as an employee welfare measure to be kept out of taxation for all classes of employees and the tax exemption limit should be enhanced to Rs 100/ per meal to enable purchase of basic Meals at current prices.

• Due to COVID-19 pandemic and lockdown in entire nation, in person customer verification becomes a challenge. In the current scenario, businesses are capable of doing minimum KYC successfully without the face to face physical interaction with the customer only. However, the present norms prescribed by the regulators for performing full KYC mandate meeting customers in-person as part of due diligence. Remote/eKYC be allowed for the sector via various mechanisms like PAN verification via NSDL, Aadhar Verification, OTP based verification or using new forms of methods like V-CIP. The Aadhar based eKYC authentication for reporting entities also needs to be implemented on an urgent basis by Ministry of Finance to support the business of the entities.
• Ensure pricing economics to accelerate acceptance: Maintaining healthy incentives for all participants in the value chain is important for continued growth of digital infrastructure. There is a cost of running this acceptance business which is tried and tested over several decades. If returns from investment into the business start dipping below the costs incurred or margins become too thin for sustenance, sooner or later this will have an adverse impact on growth of acceptance, safety & security of payment transactions, and service quality enjoyed by both merchants and consumers.

Banks play an important role in educating and encouraging their customers to adopt card usage especially in tier 2 & 3 cities in India. And the growth of POS in tier 2/3 towns has been driven by payment facilitators (approximately 65 %) whose only revenue stream is Merchant Discount Rate. Despite all efforts to promote digital payments, the growth and sustenance of digital payments remains a concern for small and medium merchants and we strongly recommend that the central government’s MDR subsidy’s efficacy should be periodically reviewed on the basis of objective parameters focused on small merchant and rural digital payments adoption.

To encourage continued expansion, establishment and education of Digital Payments a few steps that need to be taken are:

• Provide tax breaks to Acquirer bank/ payment facilitators to accelerate POS set up
• While the Acceptance Development Fund is being set up leverage the Depositor Education and Awareness Fund to promote infrastructure penetration.
• Ensure there is no disruption in the pricing model of the electronic payment ecosystem.
• Provide reimbursement of MDR charges on transactions below INR 2000 like before

• DBT funds disbursement by Government is being dispensed through Banking Correspondents across India and it is helping in delivering the Government’s promise to citizen. We would like to draw attention of the Government to the fact that 2 type of BC Agents support this initiative. Type 1 work with a particular bank only and services their customers in a given area; Type 2 are FinTech BC Agents who serve customers of all banks. Same level of risks and hardship are being faced by both type of agents while disbursing DBT to citizen. While some banks have come forward to give a minimum 3,000/- for 6 months to the Type 1 Agents, a similar benefit given to Type 2 Agents will keep the momentum high. **We would invite attention of Government to facilitate similar safe keep emoluments to the Type 2 BC Agents for serving the purpose of government in these tough times. The best way to reach benefits to these Agents is through NPCI and should be mandated only to the Agents who are actually transacting on at least all working days in a week. These would be about 5 Lakh agents. This would be just about 0.50% of the total DBT disbursed.**

• Online transactions: To ensure safety of citizens amidst the coronavirus outbreak, citizens should be encouraged to order online to purchase basic staples and food in a move to avoid large crowds and curb the spread of Covid-19. Selected few e-commerce companies should be enlisted under essential categories. **All cards, newly issued or re-issued, should be activated for online transactions immediately by default for domestic transactions with an option of the customer only calling to opt-out.**
NOTE: This would require revisiting the RBI circular RBI/2019-20/142 DPSS.CO.PD No.1343/02.14.003/2019-20 dated Jan 15, 2020, which lays out actions to be taken by Issuers for enhancing security for transactions on credit and debit cards for a certain period of time.

- Inward Cross border remittances under Money Transfer Service Scheme: The receiver should be empowered to covert a cross border inward remittance cash pick up transaction to their bank accounts. Especially in times such as this when there is restriction on movement and lock down and in order to encourage social distancing and digital transactions; the receiver being able to direct transactions to their bank account should be permitted. Cross border inward remittance to wallets be allowed. The existing regulation imposes several restrictions which makes it extremely challenging to direct transactions to wallets or even for the receivers to pull transactions to their wallets.

- Outward remittances in collaboration with banks: In times such as these there are several loved ones overseas to whom the Indian customers want to send money (E.g. Parents sending money to their children studying abroad). The category of “family maintenance” be permitted for non-banking players, who in any case are working with banks to enable this service. The category of family maintenance would be part of the Liberalized Remittance Scheme limits applicable to Indian. With the Authorised Dealer 1 outlets not being available and banks being the only channel to send money overseas; it is critical that at times such as this when social distancing is critical, digital ways and means to send money abroad is encouraged. The KYC and all other important aspects of outward remittance is fully taken care of by the bank and Western Union. Use of mobile apps for originating transactions as well as for directing transactions to bank account would be a big blessing for Indian customers and consumers who wish to send or receive money. This may kindly be permitted

Untapping the Potential of Healthtech Services

At times of such pandemic, technological advances in the field of healthcare can be a potential tool to combat the crisis. The present lockdown adversely affects all medical services, including continuing treatment of chronic patients, the regular monitoring of the elderly along with other exigencies that can arise under normal circumstances.

Some of the critical advice from the healthtech sector are:

- The Government can encourage doctors to continue their normal consultations via telemedicine and other such platforms during lockdown when they cannot continue their services via physical presence.

- The list of medications that can be provided in List O, List A and List B are restrictive and may not always be helpful for patients. We suggest that doctors be allowed to make prescriptions based on their judgement of the case.

- Online Platforms verify patient phone number via OTP. The platforms can also take address details from patients under consent, and if necessary, share such information with
Authorities in case it is mandated. This can harness the potential of digital platforms to monitor the wider population.

- **International consultations, especially for Indian citizens who have already been availing medical services abroad should be allowed to continue.**
- **Healthtech sector be recognized as essential/critical service and all employees be forwarded the same exceptions given to conventional healthcare service providers.**
- **All restrictions on online sale of drugs for critical, chronic and continuing patients be removed. Supply of regularly used medicines be streamlined and healthtech services operating in this sector be opted as partners by the Government in this time of crisis.**

**Strengthening the Edutech Services**

Due to Covid-19, many industries are hard hit. This will have an impact on the employees of those industries and may result in layoff and pay cuts. Measures need to be taken directly incentivising these workers to get them re-skilled for jobs available in the market will be greatly appreciated. Companies may be incentivized if they incur expenses for upgrading their employee’s skills, and individuals incurring expenses for skill training maybe encouraged by allowing such expenses under tax deductions.

Some other critical suggestions are:

- **The rate of Goods and Services Tax (GST) for e-learning should be reduced from the existing 18%. It must be noted that many offline educational services are zero rated.**
- **Defer payment due date for GST collected (and to be collected) by say 6-9 months without payment of any interest.**
- **Allow weighted deduction (say 2x) on all employee costs for corporate income tax purposes.**
- **Government to promote e-learning during lockdown times (eg on their websites, public announcements, etc) or allow advertisements at lower costs.**
- **Government to sponsor certain portion of the fees (say 15-20%) of the total course fees for certain categories of basic/essential e-learning for the poor sections of the society so that they can upskill themselves.**
- **Acknowledge the essential nature of ICT Hardware to providing education and prioritize access for children, teachers, schools, and ed-tech firms alike**
- **To support distance learning programs-initiated by various educational institutions, exceptions must be provided to manufacture and supply of laptops, notebooks, tablets and other ICT products that enable distance learning.**
- **Emphasis must be placed on developing cloud-based learning platforms and training programs that promote familiarity with educational technology amongst teachers.**
- **With much of formal education now adopting online training processes, online assessments are the next logical extension. the MHRD guidelines on online remote proctored assessments need to be amended to facilitate Remote Proctored Assessments via credible platforms.**
Digital Advertisement and Listing Services

The Real Estate Sector is going through a very tough phase and the digital advertising provides cost effective means of advertising to the industry, as also serves as an avenue for easy availability of information to the consumers of content, who are looking for real estate. These sites merely introduce a property to a viewer compared to a traditional real estate agent who does not stop at that but also provides various offline services which ultimately culminate in a transaction having the effect of transfer of property.

It has been observed that in the past couple of years that aggregators of information relating to real estate projects are being sought to be regulated by various state regulators by bracketing them under the category of Real Estate Agents when they are nothing but online intermediaries entitled to the protection of safe harbor.

Therefore, it is requested that a notification by MEITY or Ministry of Housing and Urban Affairs be issued to suggest no coercive action be taken against these intermediaries which largely serve to bridge the huge information asymmetry prevailing in the real estate sector.

Other key suggestions for Digital Advertising Sector:

- All Government dues for digital advertising be paid out immediately and the 30 days credit cycle be strictly adhered to by all Government agencies.
- Since the lockdown has severely disrupted the distribution chain of newspapers – that the Prime Minister has mentioned provide a vital source for accurate news and information -- it is requested that the rate of GST on digital advertising on News websites, whether operating as a division or a subsidiary of a registered newspaper or broadcast services be reduced to 5% from the current 18% for advertising and 12% for content creating and publishing on microsites, to bring it at par with Newspapers. This will provide some minor stimuli to nudge advertisers to invest in brand building and work with reputed digital publishers that add value to public discourse.
- Also given the fact that since government advertising has been on a low ebb for the last financial year and the new rates approved by DAVP are abysmally low, government should increase spending and allocating more budgets towards digital advertising, without which, the industry is expected to take a business hit from crashing private sector advertising.
- Digital advertising spends by brands for public service campaigns on health & education to be brought under the mandatory CSR spends.
- Special Industry status for digital advertising, to help raise funding from financial institutions

Nurturing of Start-ups

The Tech start-up sector of India is one of the most lucrative prospects for the future of the Indian economy to emerge as a leader in global services market. This sector is also one of the most vulnerable one given their present stage of maturity or lack thereof.
Nurturing of the nascent tech start-up Sector is critical for not only to avert the present crisis but also to safeguard the future of Digital India.

Some of the key suggestions for this sector are:

- **CSR Fund for the cause**: Industry can come forward and allocate part of their CSR fund to support some of the genuine startups and help them in sustaining their business. The government has also allowed companies to spend their corporate social responsibility (CSR) funds to fight the Covid-19 pandemic, a notified disaster. Funding start-ups maybe recognised as a valid expenditure under this heading and the fund could be released through registered Industry Associations, Incubators or any such authorities working closely with startups.

- **Emergency funds (Taskforce)**: Provide an emergency fund (could be anything between 5 lakhs to 50 lakhs) depending upon the startup’s history for its survival. The fund could be jointly setup with Industry, Governments, HNI’s. This could be disbursed through recognised incubators to help the startup survive over the next 1 year.

- **Government to mandate companies to not delay/hold-off payments to start-ups during this crucial phase.**

**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, and Bengaluru, the association is well placed to work towards charting a growth path for the digital industry in India.