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Relevant Regulations

1. Banking
2. Data protection
3. Consumer protection
4. AML / KYC
5. Competition
6. Taxation

The Cambridge Centre for Alternative Finance (CCAF) and BFA Global have produced this deck to support fintech startups working in India and those seeking to enter the Indian fintech market in navigating the regulatory environment.

This deck provides **an overview of India's regulation of digital savings, agent banking, and financial institutions.**

Each slide in this deck provides high-level facts about each of the relevant regulations as well as a link to the original source. Not all regulations included in the deck may be relevant based on the nuances of your particular business model.



01 — Banking



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Banking: General overview

Main regulator:

Reserve Bank of India Act, 1934 (as amended) establishes the Reserve Bank of India (RBI) as the primary regulator of the currency and credit intermediation in India.

Key regulation:

The RBI Act, 1934 together with the Banking Regulation Act, 1949 provide a framework for the regulation and supervision of banks in India

Banking activities:

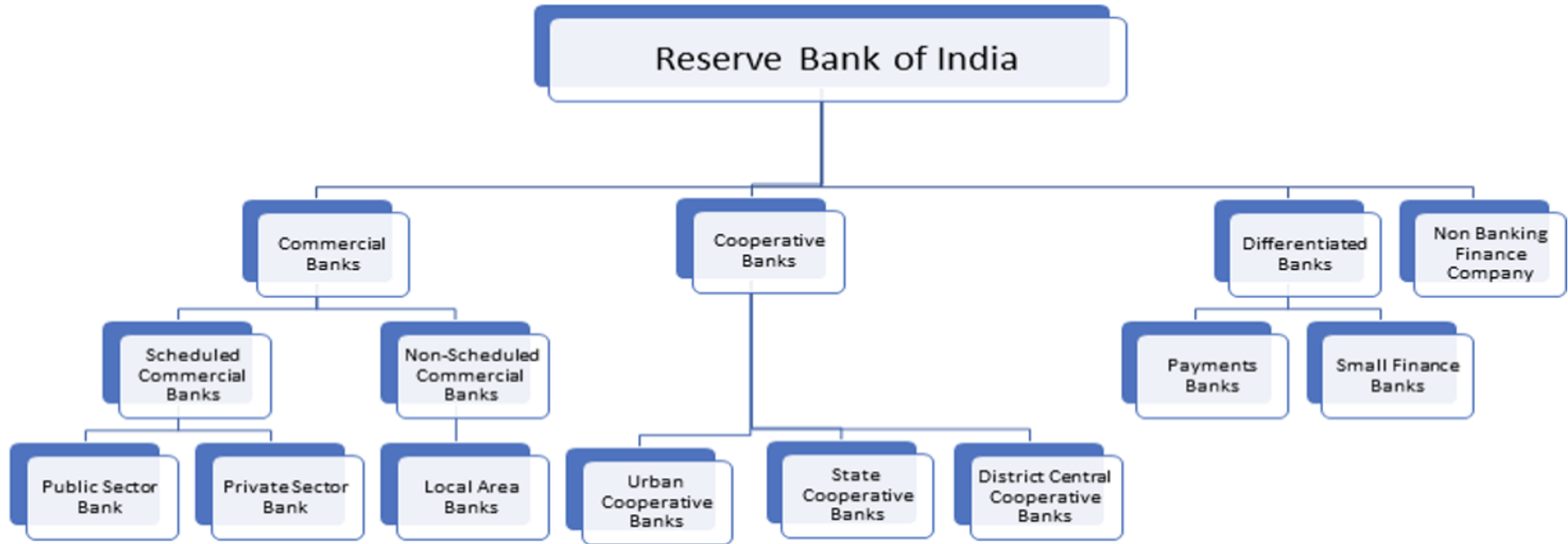
Section 6(1) of the Banking Regulation Act, 1949 (as amended) lays down a comprehensive list of business activities that a bank can engage in, including raising deposits, contracting public and private loans, and other such activities incidental to these services. The Act further establishes regulations on corporate governance and winding-up of banking companies.

Other relevant legislation:

The Companies Act, 1956, as amended Act of 2013 is applicable to any financial institution operating in India, all of which need to be registered as a Company. Other key statutes regulating the banking industry are the Foreign Exchange Management Act, 1999 (FEMA) and the Payment and Settlement Systems Act, 2007

There are 14 different types of entities supervised by the RBI, of which 13 are types of banks.

Banking: Entities supervised by the RBI



There are 14 different types of entities supervised by the RBI, of which 13 are types of banks.

Banking: Main bank categories*

Sl.no	Types of Banks	Features
1.	Commercial Banks	Commercial Banks refers to both scheduled and non-scheduled commercial banks which are regulated under Banking Regulation Act, 1949. Commercial banks operate on a 'for-profit' basis. They primarily engage in the accepting deposits and extending loans to the general public, businesses, and the government.
2.	Scheduled Banks	Scheduled banks are covered under the 2nd Schedule of the Reserve Bank of India Act, 1934. To qualify as a scheduled bank, the bank must conform to the following conditions: <ul style="list-style-type: none"> - Has a paid-up capital of US\$7,000 and above - Satisfies the central bank conditional that its affairs are not carried out in a way that causes harm to the interest of the depositors - Is a corporation rather than a sole-proprietorship or partnership firm
3.	Public Sector Bank	These are the nationalized banks and account for more than 75% of the total banking business in the country. The majority of shares in these banks are held by the government.
4.	Private Sector Bank	These include banks in which major stake or equity is held by private shareholders. All the banking rules and regulations laid down by the RBI are still applicable to private sector banks.
5.	Foreign Banks	A foreign bank is one that has its headquarters in a foreign country but operates in India as a private entity. These banks must follow the regulations of its home country as well as the country in which they are operating (in this case, India). Regulations governing the private sector banks are also applicable to Foreign banks.
6.	Non-Scheduled Banks	Banks which are not listed in the second schedule of the RBI Act, 1934. Banks with a reserve capital of less than US\$7000 qualify as non-scheduled banks. Unlike scheduled banks, they are not entitled to borrow from the RBI for normal banking purposes, except in emergency or "abnormal" circumstances.

Banking: Main bank categories

Sl.no	Types of Banks	Features
7.	Cooperative Banks	Cooperative banks operate in both urban and non-urban areas. All banks registered under the Cooperative Societies Act, 1912 are considered cooperative banks. These are banks run by an elected managing committee tasked with protecting members' rights and a set of "communally developed and approved bylaws and amendments." Unlike commercial banks, which are driven by profit, cooperative banks work on a "no profit, no loss" basis. They are regulated by the RBI under the Banking Regulation Act, 1949 and Banking Laws (Application to Co-operative Societies) Act, 1965.
8.	Urban Cooperative Banks	Urban Cooperative Banks refers to the primary cooperative banks located in urban and semi-urban areas. These banks essentially lend to small borrowers and businesses centered around communities, localities, and workplace groups.
9.	State Cooperative Banks	A State Cooperative Bank is a federation of the central cooperative banks which acts as custodian of the cooperative banking structure in the State.
10.	Small Finance Banks	This is a niche banking segment in the country and aims to provide financial inclusion to sections of society that are not served by other banks. The main customers of small finance banks include micro industries, small and marginal farmers, unorganized sector entities, and small business units. These banks are licensed under Section 22 of the Banking Regulation Act, 1949 and are governed by the provisions of the RBI Act, 1934 and FEMA, 1999.
11.	Payments Banks	This is a new model of banking in India. It was conceptualized and received sign-off by the RBI with restricted operations. Maximum of INR 200,000 (US\$2,761) allowed per customer. Like other banks, they also offer para-banking services like ATM cards, debit and credit cards, net-banking, and mobile banking.

Banking: Alternative models for fintechs



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In addition to the 13 bank types, the RBI also supervises **Non-Banking Financial Companies (NBFCs)**

- The applicable regulations for NBFCs are Reserve Bank of India Act, 1934 and the Companies Act of 1956, amended Act of 2013
- There are different categorizations of NBFCs operational in India depending on their liability structure. This includes deposit taking and non-deposit taking NBFCs depending on activities performed.
- Since most NBFCs are focused on financing/credit, they are dealt with in more detail in Section 5.3 of this deck on Credit.

Typically, fintech firms in India are registered as a licensed NBFC to perform business in the country due to the difficult regulatory process to qualify for a banking license. Another informal route for fintech startups to go to market is to partner with an existing licensed banking or NBFC entity to start their business.



Banking: Bank licensing



Who:

All entities seeking any type of banking license, including Payment Banks.



How much:

No application fees are required for a banking license (either as a Universal Bank* or differentiated banking licensing category such as small finance bank, and payments bank)



Capital requirements:

The licensee bank is required to hold minimum paid-up capital of INR 5 billion (US\$69 million) at all points in time. The guidelines also prescribe a minimum capital adequacy ratio and mandate that the licensee get listed on the stock exchange within six years of beginning operations.



How:

License application must be submitted to the RBI along with other supporting documents, such as individual promoter self-declaration forms, details of shareholding patterns, past annual reports of all promoter group entities, project report/business plan, etc. (see Appendix II of **Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector**)

*Universal Banks generally refer to the combination of commercial banking and investment banking, i.e., issuing underwriting, investing and trading in securities. For more information on the concept and derivation of universal banking, please see the discussion paper on the [Banking Structure in India – the Way Forward](#).

Sources: [Guidelines for 'on tap' Licensing of Universal Banks in the Private Sector](#), [Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector, 2016](#), [Guidelines for Licensing of Payments Banks](#)

Banking: Bank licensing (cont.)

How:

- Part II clause (A) & clause (B) of the Guidelines lays down the 'fit and proper' criteria for the promoters of the licensee bank. It requires promoters to hold minimum 10 years of senior level experience in the banking industry, sound credentials, and integrity, amongst other requirements.
- There are certain additional licensing conditions that apply to NBFCs that either act as promoters or convert themselves into a bank (see Clause (J) of the Guidelines). After reviewing the application, the RBI will grant an in-principle approval, which is valid for 18 months from the grant date. Applicant banks that continue to adhere to all compliance requirements are then issued a permanent license at the end of the 18-month period. The requirements for licensing and application applicable to NBFCs are discussed in the Section 5.3
- Registration to become a **Payments Bank** requires submission of Form III in terms of Rule 11 of the Banking Regulation (Companies) Rules, 1949 along with other additional information.
- The regulatory approval timelines to apply for different types of banking licenses can be found [here](#).



Banking: Agent banking

Key legislation:

- Agent banking in India is governed by the RBI circular “**Financial Inclusion by Extension of Banking Services- Use of Business Facilitators and Correspondents**” (“Business Facilitator Circular”). These guidelines introduce the ‘Business Facilitator’ model under which a bank may use intermediaries to perform facilitation services and the ‘Banking Correspondent’ model where the entities conduct the banking business on behalf of the banks.
- The “**Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks**” circular prohibit outsourcing of core ‘banking’ activities such as loan approval, KYC, internal audits, etc. It also lays out risk management procedures and essential terms and conditions of an outsourcing agreement.

How:

- No separate registration is required with the RBI to become an agent or an intermediary.
- The Business Facilitator Circular describes the entities eligible to act as agents and their permitted scope of activities depending on the type of model they follow
 - For Business Facilitators, general activities include identification of borrowers, processing of loan applications through verification of data, awareness programs on savings, and other money management activities.
 - Business Correspondents engage with disbursement of the small ticket loans, collection of debt, deposits, remittance amount, and sale of microinsurance products.
 - Eligible entities are all Scheduled Commercial Banks including the Regional Rural Banks (RRBs)
- The RBI also regulates the quantum of commission/ the fee that can be paid to the agents (Section 4). Furthermore, Section 5 of the circular lays down the essential terms and conditions of the bank-agent relationship.

Banking: Deposit insurance



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Key regulation:

- **The Deposit Insurance and Credit Guarantee Corporation Act, 1961** (as amended) established the Deposit Insurance and Credit Guarantee Corporation (DICGC).

Institution obligations:

- DICGC provides insurance to all kinds of deposits made in the commercial and cooperative banks throughout India.
- The Act defines the functions and method of operation for DICGC.
- This RBI's [FAQ page](#) contains answers to awareness-based questions on deposit insurance related to banking in India fulfilled by the DICGC.
- **Chapter V of the Deposit Insurance and Credit Guarantee Corporation Regulations, 1961** (as amended) explains provisions for premium payments to DICGC.

Customer protection:

The maximum amount insured for each depositor in a commercial and cooperative bank is capped at INR 5,00,000 (US\$6,903).

Payments Banks:

Payments Banks can accept demand deposits (i.e., current deposits and savings bank deposits) from individuals, small businesses, and other entities. Eligible deposits mobilized by the Payments Bank are also covered under the deposit insurance scheme of the DICGC

02 — Data protection



Data protection: National provisions

Key Laws:

Information Technology Act, 2000 ("IT Act") and its corresponding Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("IT Rules"), and the Indian Constitution

Main provisions:

India does not currently have national legislation governing data protection or privacy. Therefore, regulation is fragmented:

- Personal data is recognized as a fundamental right under Article 21 of the **Indian Constitution**, as ruled by the Supreme Court of India.
- The **IT Act** provides legal recognition of transactions carried out via electronic data interchange and other means of electronic communication.
- Section 43A of the IT Act confers liability on companies which possesses, deals, or handles any sensitive personal data in a computer for any wrongful loss or gain to any person caused due to negligence in implementing and maintaining reasonable data security practices and procedures
- Section 72A of the IT Act states that if any person secures access to personal information while providing contractual services and discloses the data without the consent of the concerned person(s) to any other person shall be punished with a fine and/or imprisonment.
- IT Rules provides individuals with the right to access and correct their information on online platforms. It also mandates that any company collecting sensitive personal information publishes an online privacy policy to which users must agree. Companies must obtain consent of the individual before disclosing sensitive personal information except in the case of law enforcement.
- A comprehensive data protection law - the Personal Data Protection Bill 2019 is currently pending before Parliament

Data protection: Sectoral provisions

The primary legal instruments that address data protection in the financial sector include:

Credit:

- The Credit Information Companies (Regulation) Act, 2005 (CIC Act) and the Credit Information Companies Regulation, 2006 (CIC Regulations) recognize credit information companies (CICs) as collectors of information and requires they adhere to privacy principles at the collection stage and uphold those principles during use and disclosure of credit information. CICs are further required to ensure the credit information they hold is accurate, complete, and protected against loss or unauthorized use, access, and disclosure.

KYC data:

- KYC norms limit the categories of information that banks and financial institutions can seek from their customers. Once such information is collected, there is an obligation on banks to keep it confidential. Any such information collected must not be divulged by the regulated entities under the RBI's purview for the purpose of cross-selling or for any other purpose without the explicit permission of the customer.
- There are similar regulations such as the Master Circular on Credit Card, Debit Card and Rupee Denominated Co-branded Prepaid Card Operations of Banks and Credit Card issuing NBFCs, the Master Circular on Customer Services, 2009, and the Code of Banks Commitment to Customers etc. These create restrictions on the cross-selling of information and impose customer confidentiality obligations

Sources: [The Credit Information Companies \(Regulation\) Act, 2005](#), [the Credit Information Companies Regulation, 2006](#), [Master Direction - Know Your Customer \(KYC\) Direction, 2016](#), [Master Circular on Credit Card, Debit Card and Rupee Denominated Co-branded Prepaid Card Operations of Banks and Credit Card issuing NBFCs](#), [the Master Circular on Customer Services, 2009](#), [the Code of Banks Commitment to Customers](#)

Data protection: Sectoral provisions (cont.)

Insurance:

- In the Insurance sector, Insurance Act, 1938 and regulations issued thereunder by the IRDAI, such as IRDAI (Maintenance of Insurance Records) Regulations, 2015, IRDAI (Health Insurance Regulations), 2016, IRDAI (Protection of Policyholders' Interests) Regulations, 2017, and IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 impose confidentiality provisions.
- Intermediaries in the insurance sector such as corporate agents, third party administrators (TPAs), and web aggregators serve as a bridge between customers and insurance companies by facilitating the process of purchasing insurance products and assisting in the servicing of policies and assessment of claims. These intermediaries also bear confidential information and thus are subject to obligations relating to data protection and preservation of confidentiality, as prescribed by the IRDAI. Each type of intermediary is subject to its own regulations and Code of Conduct. With relation to TPAs, the IRDAI (Third Party Administrators – Health Services) Regulations, 2016 prohibits TPAs from sharing the data and personal information of customers they receive from servicing insurance policies or claims.

A [report](#) by the Ministry of Electronics and Information Technology has mapped the various financial sector laws that contain data protection provisions.

Data protection: Data localization & cybersecurity

Data localization:

As there is no comprehensive framework, data localization requirements can be found in sectoral regulations on data protection:

- Per India's 2013 Companies Act, Indian registered companies must maintain their books of account for audit and inspection only in India.
- The IRDAI mandates that all original policyholder records be maintained in India.
- On April 6, 2018, the RBI issued a circular titled Storage of Payment System Data, which mandated that all payment system providers store their payment systems data on servers located within the territorial jurisdiction of India. However, for the foreign leg of the transaction, it is permitted to store the data in the foreign country, if required.

Cybersecurity:

- The RBI, under the Guidelines on Regulation of Payment Aggregators and Payment Gateways, provides comprehensive baseline technology recommendations for Payment Gateways.
- The SEBI released Master Circulars on creating Cyber Security Resilience Framework for Stockbrokers and for Asset Management Companies.

Data sharing: Open banking

- Under India's Open Banking approach, customers control their data via NBFCs called Account Aggregators (AAs). AAs act as licensed intermediaries that are responsible for the customers' consent management and consolidate customers' financial information held with different financial entities and spread across financial sector regulators. AAs act as an intermediary between Financial Information Provider (FIP), such as banks, non-banking financial companies, insurance companies, insurance repositories, pension funds, etc., and Financial Information User (FIU), which are entities regulated by any financial sector regulator. The flow of information occurs through Application Programming Interfaces (APIs).
- The transfer of information requires explicit customer consent and with appropriate agreements/authorizations between the AAs, the customers, and the FIPs. Data cannot be stored by the AA or used by it for any other purpose. The regulations also set out explicit and robust data security and customer grievance redressal mechanisms. To protect customers' interest, the AAs are not permitted to undertake any other activity.
- Further, to facilitate seamless movement of data and consent-based sharing, a set of core technical specifications were framed in November 2019 by the Reserve Bank Information Technology Private Limited (ReBIT), a wholly owned subsidiary of the RBI, for adoption by all regulated entities acting either as FIPs or FIUs.
- To protect users' critical financial information and enforce a mechanism for obtaining proper consent from customers, AAs must obtain consent through a standardized electronic consent format as prescribed under regulations. AAs must inform the customer of all the necessary attributes contained in the consent format and the customer's rights to file complaints. Customers are able to revoke consent, following which a new consent would have to be obtained. Explicit onus has also been placed on FIPs to verify the validity of the consent, its specified date and usage, and the credentials of the AA.

03 — Consumer protection



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Consumer protection: National provisions

Key Laws: Consumer Protection Act, 2019

Main provisions:

- The Consumer Protection Act provides for speedy redressal of all consumer complaints through designated consumer protection redressal forums at the District, State, and National levels.
- The Act vested wide-ranging powers with these redressal forums, starting from search, seizure, and summons to meet the needs of the changing times.
- The Consumer Protection Act also includes e-commerce platforms and electronic service providers under its purview to apply more accountability to online platforms and service providers.



Consumer protection: Sectoral provisions

Each financial sector regulator has issued its own consumer protection provisions:

RBI:

- The RBI has formulated a "Charter of Customer Rights" for banks based on global best practices around consumer protection. Banks are required to either prepare their own board-approved policy incorporating the five rights of the Charter or suitably integrate their existing customer service policy with the "Model Customer Rights Policy" formulated by Indian Banks' Association (IBA) / Banking Codes and Standards Boards of India (BCSBI).
- The RBI has three ombudsman schemes - one for banks, a second for NBFCs and a third for digital transactions. The RBI has suggested a potential new ombudsman scheme to unify these schemes to make the mechanism simpler, efficient, and more responsive.
- The ombudsman scheme for digital transaction is implemented by the RBI to enable a protection mechanism for digital payments service providers with relation to unauthorized electronic fund transfers (EFTs) and other digital transaction issues. The scheme contains detailed complaint procedures and a dispute resolution mechanism with a strict timeline for resolving issues. The Ombudsman can award monetary damages for any breach of regulations.

IRDAI:

- The IRDAI issued the IRDAI (Protection of Policyholders' Interests) Regulations, 2017 to ensure the interests of insurance policyholders are protected. Per Regulation 17, every insurer must have in place proper procedures and effective mechanisms to resolve complaints and grievances of policyholders and claimants efficiently and speedily.

Consumer protection: Sectoral provisions (cont.)



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SEBI:

- SEBI set up the Office of Investor Assistance and Education to protect the interests of investors. It issued SEBI (Aid for Legal Proceedings) Guidelines, 2009 to help investors raise complaints and the SEBI (Investor Protection and Education Fund) Regulations, 2009 whose funds are used to protect investors and promote investor education and awareness.
- SEBI also established online investor complaints redressal system called “SCORES” to address investor complaints against listed companies or regulated entities in the securities market.

Unified complaints forum:

- All the financial regulators, along with state and law enforcement authorities, created a single consumer awareness and complaints forum where consumers can lodge complaints against any illegal activity carried out by the offending entities.
- The forum can be accessed [here](#).

04 —

Anti-money laundering (AML)/know your customer (KYC)



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AML/KYC: Key laws & main provisions

Key Laws:

- Prevention of Money Laundering Act, 2002 (PMLA, as amended)
- PML (Maintenance of Records) Rules, 2005
- Aadhaar Act
- Master Direction - Know Your Customer (KYC) Direction, 2016

Master Direction KYC:

- Applies to all entities regulated by RBI.
- These directions lay out KYC guidelines (Sec. 5), Customer Identification procedures (Sec. 13 and 14), and Customer Due Diligence procedures (Chp. 6) for each type of customer.
- RBI's officially valid KYC documents include passports, permanent account number cards issued by income tax authorities, driving licenses, voter identity cards, and job cards issued under the rural employment guarantee scheme.

Digital KYC:

On February 25, 2016, RBI introduced "Digital KYC" mechanisms in Section 3 of its amended Master Direction on KYC.

- Digital KYC involves capturing a live photo of the customer and an officially valid document or the proof of possession of Aadhaar where offline verification cannot be completed.
- RBI has further introduced Video based Customer Identification Process (V-CIP) which involves a customer-consent requirement to undertake the Customer Identification Process (CIP).
- Digital KYC and V-CIP KYC is permitted for all entities regulated by RBI.

Sources: [Prevention of Money Laundering Act, 2002 \(PMLA, as amended\)](#), [Master Direction - Know Your Customer \(KYC\) Direction, 2016](#), [Amendment to Master Direction \(MD\) on KYC](#)

AML/KYC: Key laws & main provisions (cont.)

PML Rules:

- Lay out the procedure and manner of maintaining, and time for furnishing, information and verification of records of the client identity.
- Mandate record maintenance of and allow sectoral regulators to issue their own procedures for maintenance of records.

Aadhaar Act (EKYC):

- Aadhaar Act established the Unique Identification Authority of India (UIDAI), which manages the specific data collected about Indian citizens. The UIDAI permits the instant verification of biometric and demographic details of the holder through e-verification which is routed via the Aadhaar database (i.e., e-KYC).
- However, the Supreme Court's judgement in *Justice Puttaswamy (Retd.) v. Union of India* denied private entities access to the UIDAI server for e-verification of holder information for KYC. It also restricted the use of Aadhaar as a mandatory KYC document for a limited number of services and permitted banks' access to Aadhaar only with the consent of the holder.

- In collaboration with the industry, the UIDAI released new e-KYC systems to ensure smooth continuation of business. These include the use of XML files, masking of data, and use of QR codes. The accounts opened through these e-KYC mechanisms have certain restrictions on usage.

AML/KYC: Securities, outsourcing & confidentiality



Investment

SEBI issued Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT)/ Obligations of Securities Market Intermediaries. This Master Circular requires all SEBI-registered entities have AML policies in place and lays out the manner and procedure to maintain records.

Outsourcing KYC

Banks, NBFCs, and other Regulated Entities (RE) may engage third parties for data collection for KYC purposes and rely on the third party's customer due diligence. However, REs are required to ensure that decision-making to determine compliance with KYC norms is not outsourced.

Confidentiality

There are Secrecy Obligations and restrictions on sharing KYC information (Section 56 of Master Directions). Information collected from customers for the purpose of opening an account is treated as confidential and related details cannot be divulged for the purpose of cross selling or for any other purpose without the express permission of the customer.

05 — Competition



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Competition: Relevant legislation & regulatory powers



Competition Act:

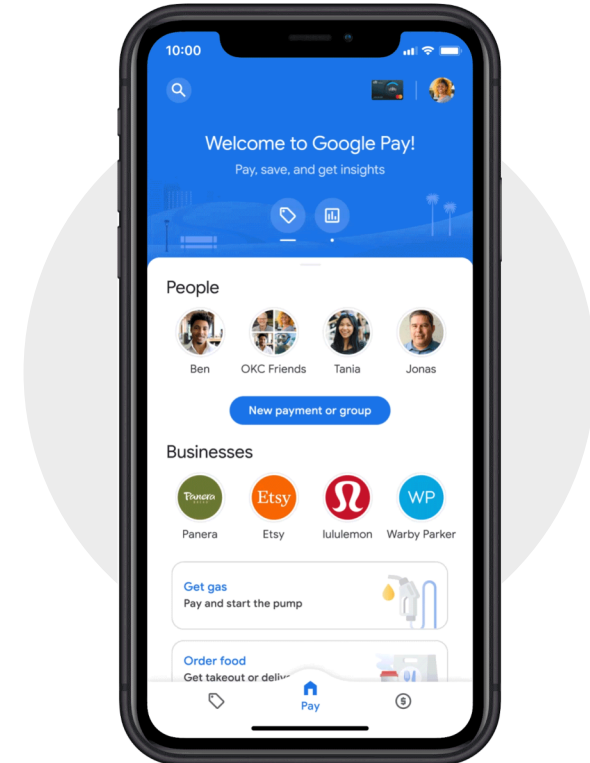
- The Competition Act, 2002 regulates various types of business activities.
- Section 3 of the Act prohibits vertical and horizontal anti-competitive agreements (e.g. between cartels) which causes or is likely to cause an appreciable adverse effect on competition (AAEC).
- Section 4 prohibits market players from abusing their “dominant position” by clearly prohibiting practices like predatory pricing that create a barrier to entry for new players.
- Section 5 regulates combination agreements (i.e. mergers or acquisitions) to prohibit them from hindering fair competition in the market.

Competition Commission of India:

- The Competition Act, 2002 establishes the Competition Commission of India (CCI). The CCI is responsible for eradicating anti-competitive practices, promoting and sustaining competition in markets, protecting consumers’ interests, and ensuring freedom of trade for other participants in markets (Section 18)
- Section 19 of the Act empowers the CCI to initiate an inquiry against a business organization for violation of Section 3 or 4.
- Section 19 also stipulates the factors the CCI will consider in determining if an arrangement or an activity causes an AAEC and if it should be deemed void.
- Section 20 empowers the CCI to initiate an inquiry against combination agreements for violations of Sections 5 and 6 and outlines the factors that must be considered to determine whether an agreement causes an AAEC in the market.

Competition: Focus on fintech

- The NPCI recently released a circular and Standard Operating Procedure mandating all Third-Party Application Providers such as Google Pay and PayPal to not exceed 30% of the overall volume of transactions processed in UPI payments.
- As recently as November 2020, the CCI ordered detailed investigation into Google Pay's activities for possible violations of Section 4 of the Competition Act.



06

Taxation of financial services



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Taxation: Financial services

Tax incentives:

- The Start-up India initiative seeks to promote and incentivize startups by providing certain tax waivers for startups incorporated after 1 April 2016.
 - This includes a 100% tax rebate on profits for a total period of 3 years within a period of 10 years.
 - The tax incentive scheme has been extended until the end of the financial year 2022.
- A new section 54 EE was inserted in the Income Tax Act for eligible startups to exempt their tax on long-term capital gains within a period of six months from the date of transfer of the asset if such a long-term capital gain or a part thereof is invested in certain funds designated by Central Government as exemptible. To date the Central Government has not designated any funds as exemptible.
- There are tax rebates for merchants accepting more than 50% of their transactions digitally and for merchants providing cash back incentives to consumers for making payments of their GST Bills via prescribed digital modes.

Normal tax rate:

- If the given financial service does not fall within any exemption or promotion scheme of the Government of India, then it shall be subject to corporate tax regime under the Income Tax Act 1960.

For more information and further guidance on engaging with regulators see [Fintech Regulation in India](#)

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