

Make India 'Tax free' using Power of Money going Virtual.

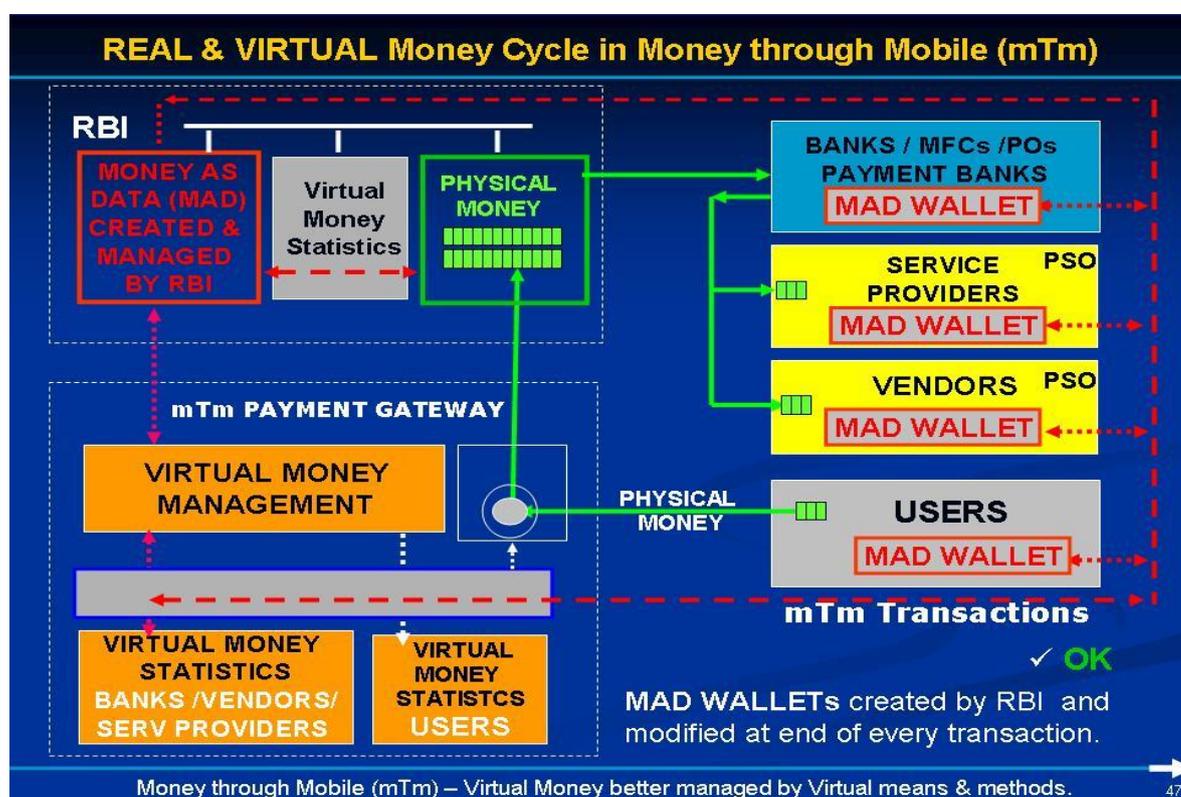
<http://wp.me/p1ZsI2-11Y>

To whom so ever interested.

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Melbourne, Dated June 5, 2017

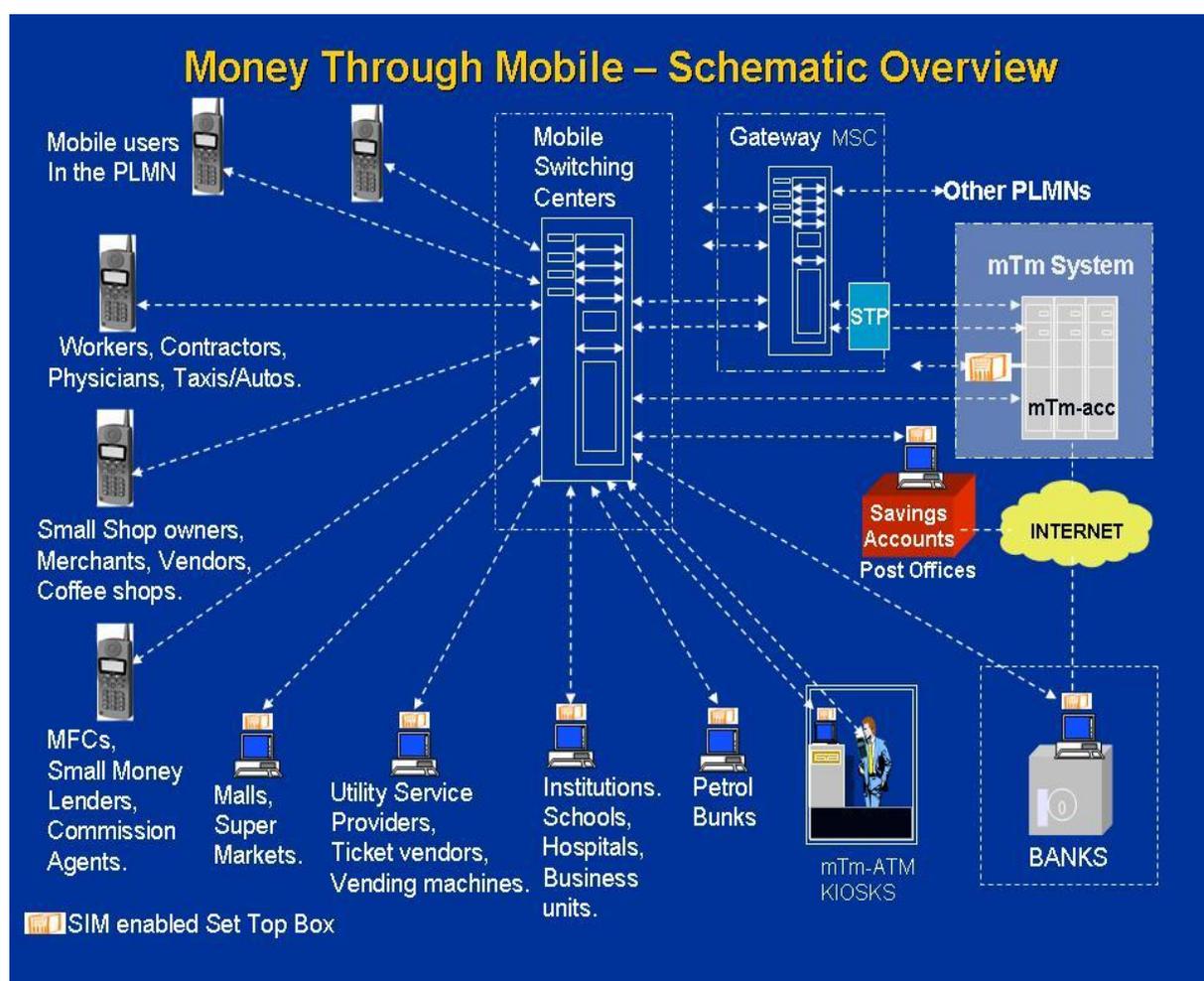


INTRODUCTION. I wrote about "Exclusively Banked Universal Money Management using Phones (acronym 'Money through Mobile' (mTm) in a comprehensive paper covering almost all aspects related to it as early as in 1997 when no one has heard of those. Wp.me/p1ZsI2-4g

The technology adaptation was based on the feature USSD (Unstructured Supplementary Service DATA) in modern form of Signalling CCS7 in Telecom systems in PSTN as well as in

PLMN. I am the first one to lead manage implementation of IN based Prepaid service in GSM in India in 1996 and then the 'Mobile Wallet' feature for transfer of Money in Virtual form between Mobile phones.

I got it tested out using USSD, and the many features, products & services as detailed in my paper in the link: wp.me/p1ZsI2-4g



Need of regulatory measures by Government.

Visualising the need of having a uniform structure, applications & methods for it to succeed and the need of Government's role in its regulatory requirements to overcome its disruptive potentials on Economy, I did not venture to do it then myself, and I had been writing to Government as well

as to RBI and to Planning Commission and many other about it, and also the urgent need of UID, Exclusive Government owned Communication systems, Networks, Transport and the Connectivity issues, availability and readiness of required minimum Eco system and so on and so forth, for Money through Mobile (mTm) to take off. (My papers published on these topics are available in papaulsblog in wordpress.com for anyone to have a look.)

1. Object. Inclusive Growth.

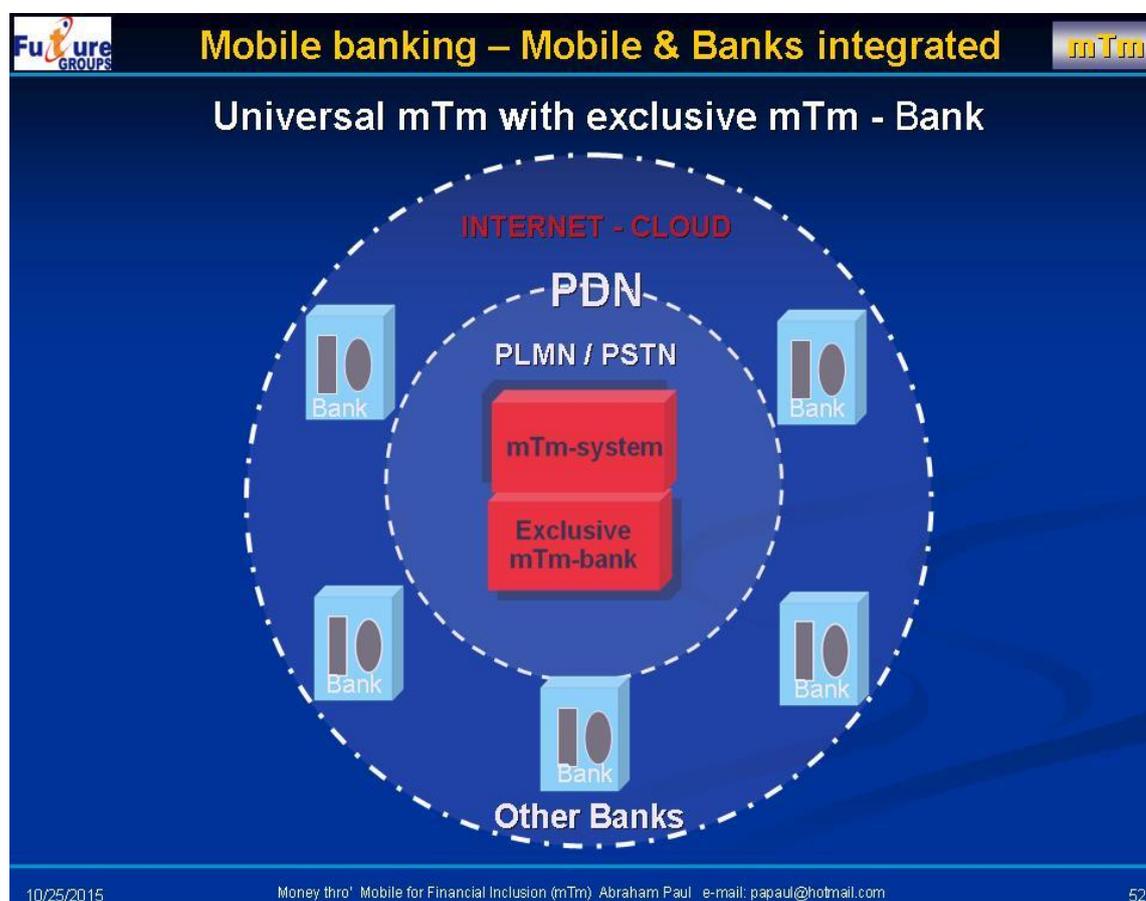
The main object being Inclusive Growth through Financial Inclusion of all; in a country like India with most of its population residing in Rural areas, it is going to take considerable effort, time and money and proper policy frame work to realise it.

But then there is nothing known as 'Perfect' in planning, wait for it and nothing happens. The way to go is to use best of the Contemporary technology and processes, and move on, always with an eye on the future, beginning its implementation from Cities, Towns and in places where required eco system readily available and then expand to other areas by making available facilities needed for it in a war footing basis.

However, what many Private e-business Companies did was to jump in use the opportunity with least concern of its main OBJECT of realising Inclusive growth by Financial Inclusion is being achieved or not. Government not only did nothing to stop it but also encourage it without knowing the attendant risks and problems it can create in Banking Industry as well as Country's Economy.

PMJDY. It is not that Government did nothing about the OBJECT of Inclusive Growth. Government stepped in with its Financial Inclusion idea PMJDY with good intentions.

It helped to realise the OBJECT to some extent but not fully as the regular Banks are White Elephants that never will be able to cater to the needs of huge population of poor and most among them still below poverty line and not adequately literate to reap benefit out of it, and hence the urgent need of Payment Banks exclusively for this.



In my paper, 'Exclusively Banked Universal Money Management for Inclusive Growth' wp.me/piZsI2-4g, I had suggested the following solutions:

i) Create Payment Banks exclusively for this, including Post Offices network, and its franchisees & approved agents like Banking Correspondents, closer to people in every

Panchayat; that can also add large number of jobs in villages.

ii) Provision of access and connectivity from Rural & Remote areas to the Zonal mTm systems via GPS by Communication Satellite transponders, all over the Country without waiting for Optical Fibre Cable network, that will take many years to happen.

iii) Create and use UID for KYC and personal identification for all sorts of Money transaction including DBT etc., using Mobile Phones and also without the need of Phones.

iv) Uniform mode of Money transaction and Systems & Procedures at every POS.

Things started happening, thanks to Sri. Nandan Nilekani for creating Indian Version of UID, the Aadhar. and thanks to RBI / NPCI for bringing in UPI and a Consortium of Banks.

But in the absence of regulatory part that was critical, many Private Banks and Private e-Money businesses came into the scene exploiting the policy vacuum taking advantage of the lapse in regulative mechanism in place started guzzling in and pocketing huge amount of 'Real' and Legal money (physical & in instruments) and giving out their own self-created money in Virtual form (Money as Data) that has no legal status on a day to day basis, draining Banks & Liquidity.

It is only common sense to visualise that entire Money in circulation in Banks and being released by RBI will vanish in no time into their Private bank accounts and even may take it out of the Country leaving a black hole of parallel economy of illegal Money in virtual form, owned by none. As the cycle continues the entire Economy will be filled with Money in Virtual form created by fast mushrooming as disparate Private e-money businesses.

Seeing that Government and RBI were appeared clueless of what was happening, I wrote to RBI and Government and to

different Media, about the need of their urgent intervention as can be seen in my blog site.

2. Power and Perils of Money going Virtual:

In my presentations on 'Power and Perils of Money going Virtual and the urgent need to regulate it. wp.me/p1ZsI2-Ku in October 2015, I had explained how Money going Virtual is disruptive but also is Powerful in many ways.

Why converting the disruptive potential as advantage is the way to go to quicken Inclusive Growth and more, that can be realised by ensuring and retaining Money in its virtual form also legal tender, and how to do it.

Simple. As I had suggested in my paper in the above referred link, this could be done only by;

Making RBI the sole Creator, Custodian, Operator, Regulator and Controller of all forms of Money that includes Money in Virtual form also and banning all others as counterfeit and illegal.

3. Need of Payment Banks:

It is therefore, I urged RBI to create exclusive Payment Banks under the Control of Government identical to the Post Offices. Thanks to Sri Raghuram Rajan for approving payment banks (too many though) that included the Post Office network also as his parting gift. Those payment banks are supposed to work under a regulatory mechanism keeping the Money Chain, both in its 'Real & Virtual' forms and the Liquidity safe within the Government approved Banks that includes the consortium of Banks formed at the initiative of NPCI, but with no authority to create any form of Virtual Money and e-wallets of its own or to use any of these created by fast mushrooming Private e-money companies.

Government need to act fast but not with quick fix and piece meal solutions:

Unfortunately. Government and everyone in its Political party in great hurry to move over to Digitalisation, were unknowingly leading the Country's Economy to disruption by allowing and encouraging Payments using Private e-money Businesses, Debit Cards etc., may be in good faith and enthusiasm but grossly defeating the primary OBJECT. This also increased hardship caused by *Demonetisation* as these e-money businesses sucked in whatever Real Money and liquidity left out after *Demonetisation*.

It is highlighting these dangers and suggesting simple and workable solutions to overcome those, I have been writing to everyone in the Government, RBI, Print & Visual Media about what could be done, not only to escape the danger of Nation's economy getting badly disrupted but also about how to convert the disruptive potential of Money Going Virtual as 'Advantage Government' & 'Advantage People', 'Legitimate Banking Industry' and what not, in my blog "Inclusive Growth, #DigitalMoney anywhere any time, Eradication of Poverty / Black Money and the one and only sure shot way to restraint on terrorism - all in one go I the link wp.me/p1ZsI2-XG

4. How it helps to Eradicate Corruption and Black Money.

Please see my blog in the link wp.me/p1ZsI2-XG how every transaction of Money in the country between Virtual to virtual, Virtual to Real and vice versa can happen only through RBI, entire statistics will be available for management and control of Money and its movements. As

every transaction becoming transparent and its statics readily being available with Government, it will help to eradicate Corruption and Black Money and prevent Money flowing into wrong hands and for wrong purposes, the one and only sure shot way to restrain it.

5. TAX free INDIA.

Harnessing the Power of Money gone Virtual everywhere and for everything, give opportunity for Governments to generate enough revenue for its needs from time to time, by levying a small percentage on every amount of money being transacted; a Bye product BONUS of the prime OBJECT, that can make India a 'TAX-FREE' Nation, with no other Taxations; Direct and else, GST etc.

The systems and its functioning being envisaged as parameter driven, all sorts of flexibilities could be built in to enable discrete and differential charging (whom to charge, what to charge and where to charge) levies based on Users ID, place and nature of use etc. New technologies of Crypto Currency, Advanced Block Chain concepts etc., can be used as tools.

The Object and the Concepts how to attain it are important; for adding 'Nuts and Bolts', there are aplenty out there, and many fathers later to own it, when done.

6. Universal adaptation of the concepts across the World.

#UGOMAC

The Concept embedded can be adopted Universally in Countries across the Word as explained in my paper 'Universally Governments Operate Money as a Commodity' #UGOMAC in the link wp.me/p1ZsI2-Yn

7. Jumping into Digital India before its prerequisites in place is disastrous.

Everyone in Government and in its Party these days vociferous about going Digital, in place or else, knowing anything about it or else.

Jumping into #DigitalIndia without its prerequisites made ready in a war footing basis will be disastrous if not suicidal. Therefore, the whole thing shall be approached in well planned manner, phase by phase implementing it in Cities, Towns and its suburbs where eco system needed is readily available and moving on to other areas where it is made ready, as explained in my blog. wp.me/p1ZsI2-J5

NO ROCKET SCIENCE; MERE COMMON SENSE, WITHOT USUAL JARGONS.

Please see my other posts in papaulsblog.wordpress.com free for anyone to take and use.

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