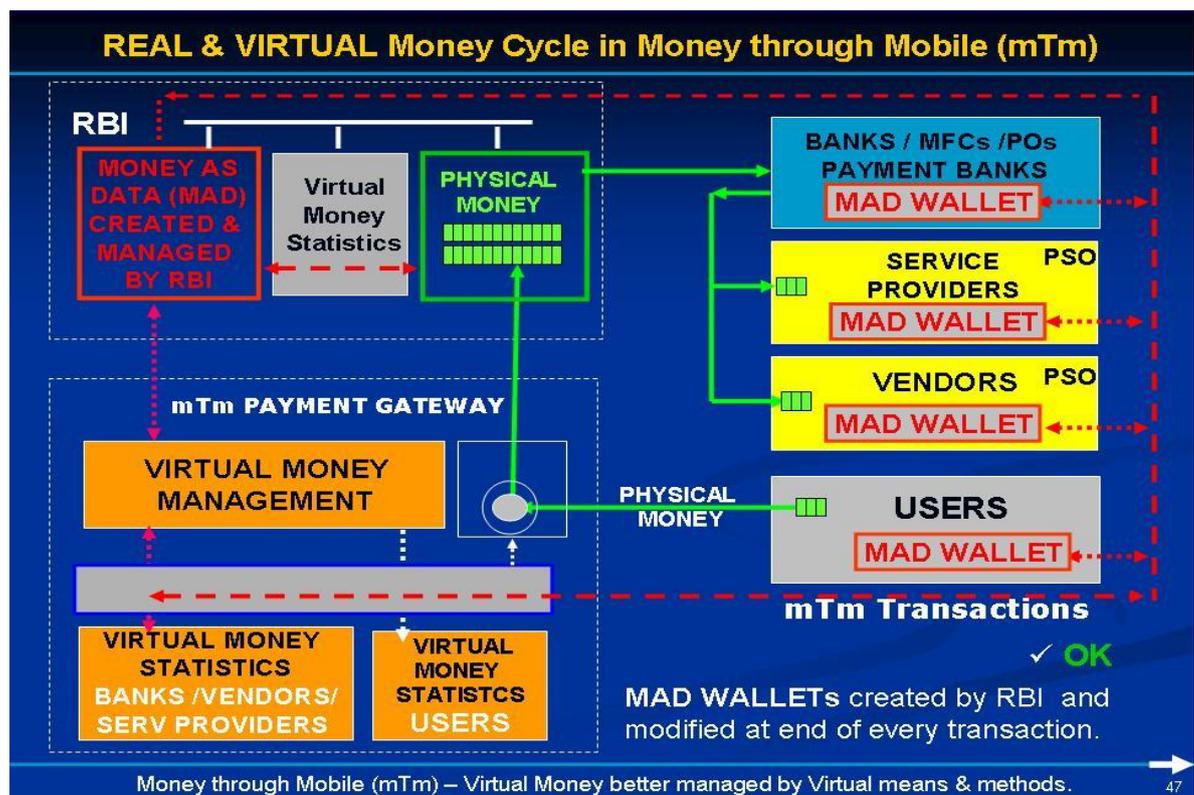


# Make your Country 'Tax free' using Power of Money going Virtual.

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

To whom so ever interested.

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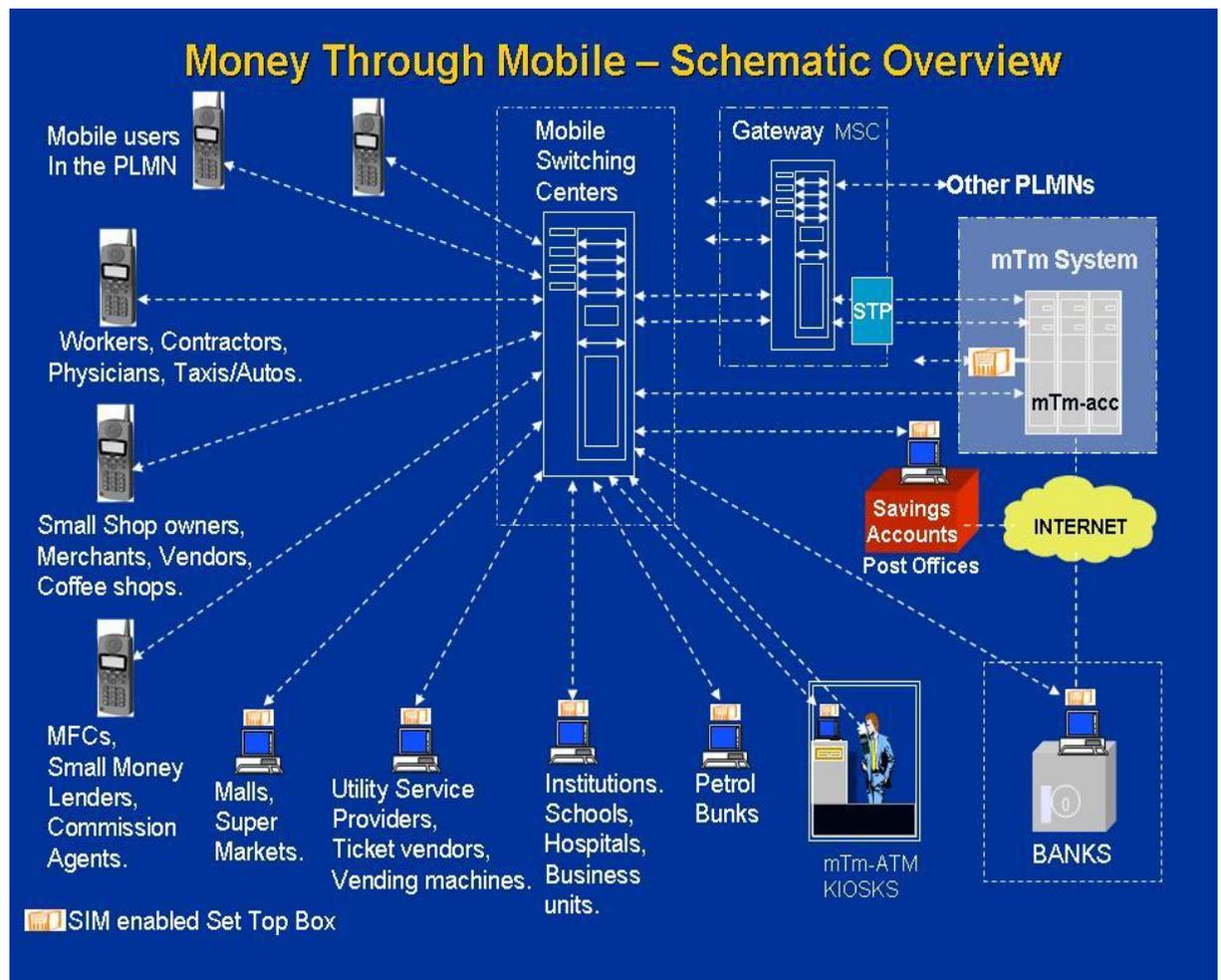


**INTRODUCTION.** I wrote about "Exclusively Banked Universal Money Management using Phones (acronym 'Money through Mobile' mTm) in a comprehensive paper covering almost all aspects related to it as early as in 1997 when no one has heard of those.

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 implement IN based Prepaid service in GSM and the Mobile Wallet Facility.

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](http://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 effect 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 on this and many other areas such as UUID, 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 it to take off. (Available in papaulsblogs in wordpress.com)

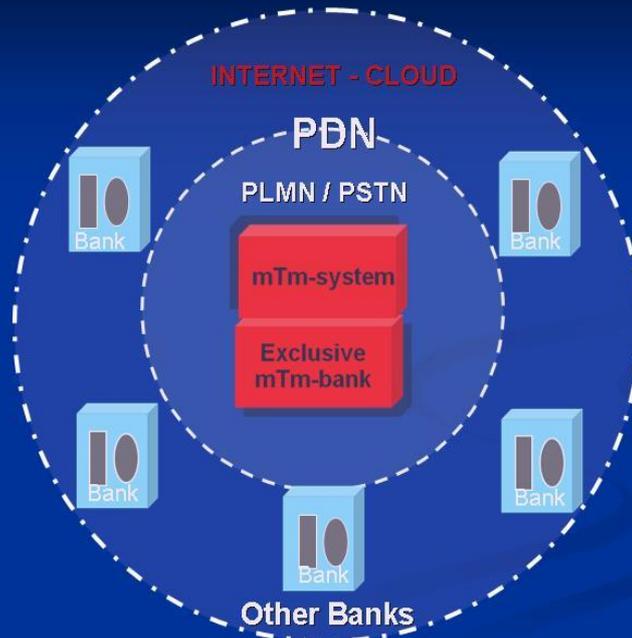
## **1. Object.**

The main object being Inclusive Growth through Financial Inclusion, in a country like India with of its most population residing in Rural areas, it is going to take considerable effort, time and money. 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 and move on; always with an eye on the future, beginning from Cities, Towns and in places where required eco system readily available and then move on to other areas.

This is what many Private e-business Companies do with least concern of its main object of realising Inclusive growth by Financial Inclusion is being achieved or not.

But then Government stepped in with its Financial Inclusion idea PMJDY with good intentions but its success can't be ensured through regular Banks that are White Elephants; never be able to cater to the needs of huge population of poor and most among them still below poverty line.

## Universal mTm with exclusive mTm - Bank



In my paper Exclusively Banked Universal Money Management for Inclusive Growth, I had suggested the following solutions:

- i) Create Payment Banks exclusively for this including Post Offices network, and its franchisees closer to people in every Panchayat that can add large number of jobs.
- ii) Access and connectivity to the zonal mTm system via GPS from rural & Remote areas.
- iii) Create and use UUID for KYC and personal identification for all sorts of money transaction including DBT etc 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 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 and 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 draining Banks & Liquidity, taking advantage of the lapse in regulative mechanism in place. It is only common sense to visualise that entire Money in circulation in Banks and being released by RBI will vanish in no time from the Country leaving a black hole of parallel economy of illegal Money in virtual form, owned by none.

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](http://wp.me/p1ZsI2-Ku) I had explained how Money going Virtual is disruptive but also is powerful in many ways. 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.

This can 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 POs 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 leading the Country's Economy to disruption by allowing and encouraging Payments using Private e-money Businesses, Debit Cards etc., defeating the primary object. This also increased hardship caused by Demonitisation as these Companies sucked in whatever Real Money and liquidity left out after Demonitisation.

**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.**

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

Please see my blog in the link [wp.me/p1ZsI2-XG](http://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, 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 their needs by levying a small percentage on every amount of money being transacted; a bye product BONUS, to make India a 'TAX-FREE' nation with no other Taxation, 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, Block Chain 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.**

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](http://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 and 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](http://wp.me/p1ZsI2-J5)

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

Please see my other posts in [papaulsblog.wordpress.com](http://papaulsblog.wordpress.com) free for anyone to take and use.

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