

Tech lobbyists now crowd New Delhi's power corridors

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MUMBAI: The power corridors in Lutyens' Delhi are seeing an increased presence of a new species — technology lobbyists armed with presentations and fact sheets as the government drafts landmark regulations around net neutrality, privacy, data ownership, cryptocurrency and digital payments.

Strengthening channels of communication with the government has become inevitable for technology companies to proactively address concerns around new and disruptive technology and avoid regulatory backlash, which can be crippling to business as some have found.

"Technology often outpaces regulations. We understand that governments are grappling with the need to regulate new players, entirely new business models and at the same time encourage innovation," said a spokesperson for ride-hailing platform Uber, which has had to tackle regulatory hurdles in multiple Indian states. "We are committed to engaging with the government stakeholders to bring in regulations that are good for riders, drivers and cities."

Lobbying has fetched some huge wins for technology and internet companies in India, such as when the government allowed 100% foreign direct investment (FDI) in online retail of goods and services under the so called marketplace model, as well as in fintech startups, through the automatic route. Facebook, however, lost a campaign for its controversial Free Basics product that sought to allow consumers access to its social media platform and select websites without being charged for data. The telecom regulator chose to support net neutrality by barring discriminatory pricing of data services. A spokesperson for Facebook said the company's policy team was focused on helping government officials, among others, understand its policies, programmes and products.

Indian ecommerce giants including Flipkart and Ola recently formed Indiatech.org to represent the interests of local internet ventures, and bitcoin exchanges Zebpay, Coinsecure and Unocoin have formed the Digital Assets and Blockchain Foundation of India to address concerns surrounding the use of virtual currency.

In the online gaming sector, Ace2three and RummyCircle formed The Rummy Federation while some online poker and fantasy sports companies joined the All India Gaming Federation. Older lobbying groups such as Internet and Mobile Association of India (IAMAI), too, are seeing a marked increase in government engagements. "The government seeks us out," said IAMAI president Subho Ray. "There are different degrees of engagement. If you don't talk of the things that impact you somebody else will and then the policy that comes out may not be in your favour."

This consultative law-making process is "required as we were seeing a lot of practical difficulties in implementation of law because they were being enacted without industry inputs," said Kartik Maheshwari, leader for technology companies at law firm Nishith Desai Associates. He works with various industry bodies on government consultation.

Importantly, lobby groups representing new technology are proactively answering questions that bureaucrats might have on, say, the use of bitcoins in tax evasion, money laundering and terror funding. India has no regulations governing digital currencies although the Reserve Bank of India has warned about potential risks from trading in these highly speculative assets.



"We realised that due to the nature of the industry we will have to make a concrete effort for advocacy," said Sandeep Goenka, cofounder of Zebpay. "We want regulations to keep pace so there are no grey areas. It is better to have clarity."

Some companies running online games of skill such as rummy are advocating self-regulatory mechanisms to distribute cards, fix know-your-customer norms and detect fraud and collusion.

"The main aim of the Rummy Federation is to bring operators under [common](#) practices. Eventually, our goal is to get to a [place](#) where every state is regulating games of skill (which sometimes are clubbed negatively with betting and gambling)," said Trivikraman Thampy, CEO at RummyCircle and director at Rummy Federation. "As a first step, we are trying to get a self-regulatory framework in place and take it to state governments as prototypes."

Another lobbying group called the All India Gaming Federation is demanding the government to allow foreign technology collaboration and FDI in online gaming and fantasy sports. "We make our representations to help the government understand the benefits, allowing these companies to collaborate on [tech](#) or attract FDI. The technology is ever evolving and if that is not allowed then the end user will not have a good experience," said Roland Landers, CEO at All India Gaming Federation.