

Securing e-payments

Token services add an extra layer of security

TR RAMACHANDRAN

Increased penetration of hand-held devices and affordable internet plans have boosted m-commerce in India. A research by IDC has projected global mobile payments volume will reach \$4 trillion by 2020. A recent Visa survey found that 90 percent of consumers in India are interested in making a purchase via mobile payments in the next six months, and more people feel mobile payments are safer compared with cash. De-monetisation has provided a further fillip to cashless transactions.

But with the increase in internet penetration and mobility, security threats are also going up. How do we address the increasing vulnerabilities created by these new form of payments? One answer is tokenisation. Token services are designed to offer secure payments with a broad range of connected devices, across multiple digital wallet providers and with future payment innovations. It helps protect transaction by replacing sensitive payment information with a unique digital identifier or 'token'. This encrypted token keeps actual card details private and has no value if compromised.



The primary enabler

An exciting future awaits the payments industry in India, as all stakeholders and regulators come together to achieve a 'less-cash dependent' and eventually a 'cashless society' in the country, through universally accessible, efficient, innovative, safe and convenient e-payment products, technology and capabilities.

The success of creating a cashless society would be determined by the people's willingness and confidence about to embrace new modes of payments. The success of all initiatives to encourage digital payments rests on two critical foundations: a) efficient infrastructure/delivery mechanisms, b) supported through strong measures to build a secure transaction environment. Token services has the potential to redefine the current payment ecosystem while also enabling a safe and secure experience for the customer.

A paradigm shift

Tokenisation is an added layer of safety in digitised payments that create a water-tight security environment. This is how it works. A sensitive personal and financial data gets encoded into an alphanumeric number and passes through the system to the bank which decodes it and effects the payment.

Throughout the payment processing chain, only the token travels from one payment processing entity to the other. So, any attempt, to interfere/intercept the data will reveal only the token number.

Customers will no longer be required to store card numbers on e-

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commerce websites making them susceptible to threats.

Tokenisation is greatly beneficial not only for the customers but merchants as well. Acceptance of tokenisation in fact helps them achieve the twin objective of becoming more customer centric as well as cost effective, as tokenisation does not require merchants to make substantial changes to their payment acceptance systems.

We are moving towards a future where the universe of networked devices is set to grow beyond laptops and hand-held devices to car dashboards, wearable technology and even day-to-day objects. As customers seek greater convenience through automation, it is reasonable to anticipate that will all their devices connected through cloud technology they would want to carry out a financial transaction any time and anywhere.

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Pharma sector needs a RERA-type law

Rather than merely focussing on making generics mandatory, a regulator ensuring quality and affordability is called for

SURENDRA MANTENA

In a widely publicised speech given at the opening of a hospital in Surat on April 17, Prime Minister Narendra Modi indicated that his government may bring in a legal framework under which doctors will have to prescribe generic medicines.

Given this background, the need of the hour is not a piecemeal legislation mandating the doctors to prescribe generic medicines, but a holistic legislative and regulatory framework that addresses both the quality and affordability aspects. It is commendable that the government, recognising the need to protect the rights of a home buyer, has enacted RERA to regulate the real estate sector.

Need a better regulator
I would argue that the need for a muscular drug regulatory authority (DRA) is far more urgent.

A landmark act introduced in the US in 1984, "the Drug Price Competition and Patent Term Restoration Act" transformed the drug market in that country by allowing a generic medicine, that has demonstrated mere bioequivalence with the branded drug, to be dispensed as a substitute for a prescription of the branded drug.

The generic drug would not have to undergo a complete clinical trial to be proved equivalent. Subsequently, this model has been followed in other countries and today most OECD and other developing countries accept the substitution of a branded medicine with a generic equivalent.

Further, a study published in JAMA in 2008, "Clinical equivalence of generic and brand name drugs used in cardiovascular disease: a systematic review and meta analysis", concluded that there was no evidence of superiority of brand name to generic drugs.

However there is an important caveat here. In all countries where this substitution is widely implemented and accepted, there is also a strong regulatory structure in place to both certify and monitor the veracity of the drug testing and enforce the compliance



Stack them up Affordable medicines must be in supply AFP

tagged with a unique RFID, barcode or such similar identification to ensure traceability from manufacture to consumption.

6. Generics should be labelled and sold as such in order to prevent a brand to brand substitution rather than a brand to generic substitution at the retail level.

Additional steps

With the above regulatory framework in place, additional steps required to ensure widespread dissemination and adoption of generics would be:

1. A government maintained portal with information about all licensed branded and approved generic equivalents searchable by product name or composition, freely accessible to consumers, pharmacists and retailers including the price. The portal will also provide an ability to verify the authenticity of the product based on

the unique product code.

2. Capping the maximum sale price of the generic taking into account the cost of making the drug and distribution and retail margins.

3. Mandating all public sector organisations and governmental healthcare institutions to dispense generics only for all drugs where such equivalents are available.

4. Modification of the drugs and cosmetics act to allow dispensing of generic as a substitute for the branded drug at the hospital pharmacy and retail level.

5. Mandating the retailer to maintain at least one generic equivalent wherever available for every brand name drug in his inventory. This will ensure that the customer always has an option to buy a generic and incentivises the manufacturer to produce them in the first place due to guaranteed

widespread distribution.

6. Mandating the retailer to dispense medicines along with an invoice mentioning the unique product code to ensure traceability and transparency.

7. Mandating the doctor to write an accompanying reason with the prescription if he or she feels that the patient should take only the branded drug, in the absence of which a generic substitution would be the norm.

Enforced with punitive fines for non-compliance, these measures will not only make medicines affordable to all, but also give the customers the choice without fear of compromising the quality of their care.

It will also ensure that the organisations who play by the rules are not undercut by rogues.

The writer is chief operating officer, MedPlus Health Services

5 THINGS to WATCH OUT for TODAY

LOKESHWARI S K

STATISTALK

Will GST be inflationary?

The GST rate fitment is almost done and the country is gearing up for the rollout on July 1.

Implementation of the new tax regime is, however, unlikely to make items consumed by the common man pricier

Lower tax levy on items of everyday use

GST rate	Number of items	% of total basket	Key items
0%	85	7	Milk, eggs, fresh fish, newspapers, handlooms
5%	170	14	Spices, tea, coffee, frozen vegetables, coal, rusk, medicines
12%	206	17	Tooth powder, cellphones, namkeen, packaged dry fruits, butter
18%	521	43	Copper bars, rods, wires, steel products, mineral water, pastries, cakes, infant use preparations
28%	230	19	Pan masala, plastic products, washing machines, automobiles, motorcycles, deodorants, shaving creams

Healthcare, education out of the net



Neutral impact on most items in the CPI basket

CPI inflation components	Weight	Impact	CPI inflation components	Weight	Impact
Food and beverages	45.9	neutral	Health	5.9	neutral
Housing	10.1	negative	Education	4.5	neutral
Transport & communication	8.6	negative	Personal care	3.8	neutral
Fuel and light	6.8	neutral	Household goods and services	3.8	neutral
Clothing and footwear	6.5	To be announced on June 3	Pan, tobacco	2.4	neutral
			Recreation	1.7	negative

Positives not yet pencilled in

- Input tax credit to reduce tax payable
- Reduction in logistics cost
- More business for the organised sector

Graphic: Visveswaran V

Pro-Telangana forces are likely to launch a new political party today, coinciding with the State Formation Day. The aim of the new party will be to unite people and social forces that genuinely worked for the cause of separate Telangana and have subsequently been ignored by the ruling Telangana Rashtra Samiti.

BJP President Amit Shah will arrive in Kerala on a three-day visit. The visit comes at a time when several protests are being carried out against the Centre's cattle trade rules. The BJP is trying to widen its reach in the State after it secured a seat in the Assembly last year for the first time.

Mercedes-Benz will unveil a smaller, more fuel-efficient 2.0-litre diesel engine in its recently-launched, all-new E-Class on June 2. The E 220d will be the second diesel engine for the new E-Class in India, the other one being a 258hp, 3.0-litre, V6 diesel. It is expected to be priced at ₹57 lakh.

Nissan will launch a refreshed version of the Micra hatchback today. Likely to be priced at about ₹6 lakh for the base version, it will compete in the same space as the Honda Jazz, Maruti Suzuki Ignis and the Hyundai Elite i20.

The European Union and China will hold a summit in Brussels on June 2, the first since the election of US President Donald Trump. China's premier and the heads of the EU's main institutions will aim to deliver a strong statement in support of the Paris climate deal that Trump has threatened to withdraw from.

EASY

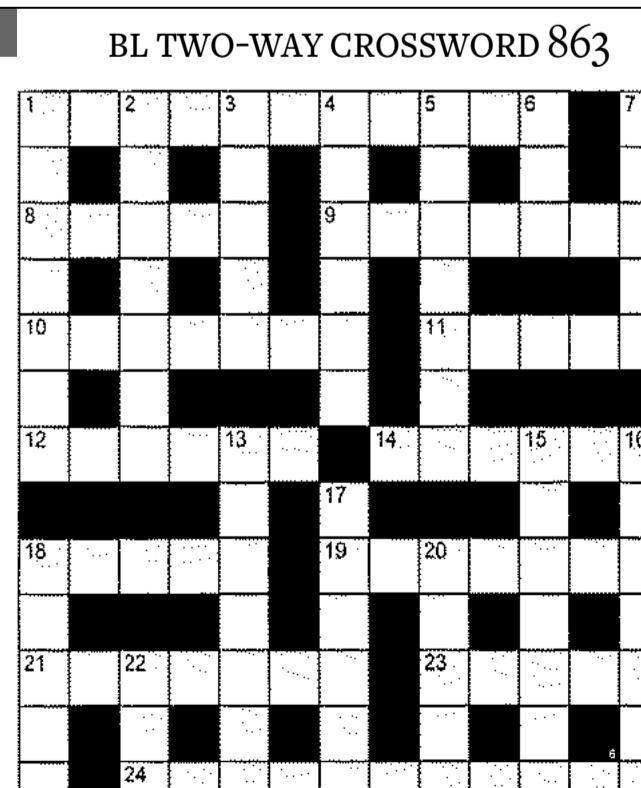
ACROSS
01. Having close association with (4,2,5)
08. Comments (5)
09. Part of electric kettle (7)
10. Hangs about (7)
11. Tied (result) (5)
12. Geographical area (6)
14. Stops (6)
18. Small biting insect (5)
19. Stops functioning (5,2)
21. Vexation, annoyance (7)
23. Lift (5)
24. Resultant happening (11)

DOWN
01. Man in charge of dog (7)
02. Earning as a clear profit (7)
03. Publish (5)
04. Oily, slippery (6)
05. Later than expected (7)
06. Female sheep (3)
07. The Devil (5)
13. Swarm over, infest (7)
15. A sitting (7)
16. Topmost (7)
17. Type of cake (6)
18. Scoffs at (5)
20. Greek island (5)
22. Part of circle circumference (3)

SOLUTION: BL Two-way Crossword 862

ACROSS 1. Aristocracy 8. Up-to-date 9. Logo 10. Means 13. Writ 16. Eros 17. Soar 18. Soap 20. Yards 24. Agio 25. Misnomer 26. Refrigerant
DOWN 2. Rote 3. Side 4. Often 5. Allow 6. Businessman 7. Mortarboard 11. Annoy 12. Saver 14. Room 15. Coda 19. Proof 21. A-wing 22. Diner 23. Amen

BL TWO-WAY CROSSWORD 863



NOT SO EASY

ACROSS
01. To be in cahoots with somebody, fingers should be warm (4,2,5)
08. Makes memoranda of what musician utters (5)
09. Essential part of fire, say, to the Greeks (7)
10. Loser is upset about it and hangs around (7)
11. Tied, like a picture in crayon (5)
12. One might be wrong to ignore this area (6)
14. Doesn't go on with lawsuits the East is involved in (6)
18. Among them I'd gestured to it as a cause of irritation (5)
19. Engine stops working, so one prepares to go home (5,2)
21. Tea? Smile broadly that it should be cause of vexation (7)
23. Put up more to come in one's wage-packet (5)
24. Study the order cards may take as a result (11)
DOWN
01. Man with dog is right to go after the title (7)