



NEWS HIGHLIGHTS

Fino Payments Bank looks to acquire fintech startups

India going digital, paper clearing at banks falls

Paytm Mall now supports 10 regional languages

Fintech startup Curve partners with accounting software Xero

Tencent finalises its \$400-million investment in Ola

Today's View

Fraud Analytics for Payments

With the advent of numerous payment channels including cards, wallets, ACH etc., the exposure to cyber fraud risk has also increased. IBM led research says cyber fraud costs the financial industry close to \$80 billion annually. The sheer volume of loss attributable to electronic payment frauds is making financial services companies extensively develop solutions to identify and prevent frauds in the process. Concurrently, in order to achieve accurate and less intrusive fraud detection systems, financial institutions are increasingly turning to Fintechs to perfect analytics and technology used to spot and combat fraud.

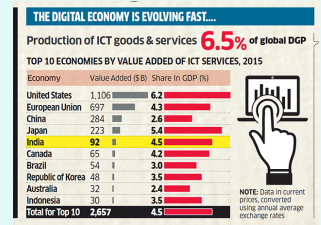
Some Fintechs like Featurespace are leveraging deep machine learning and adaptive behavioural analytics, thereby reducing 'genuine transactions declined' by over 70% and incidence of undetected fraud by 25%. Similarly German Fintech Fraugster has raised \$5 million in funding for developing a real-time fraud detection technology which would anticipate fraudulent attacks even before they take shape. On the other hand, Signifyd is employing Big Data analytics for its fraud detection mechanism which involves 120 offline and online parameters like public records, negative lists of merchants, location, transaction history, social graph, device fingerprint, etc.

Even Swiss Commission for Technology and Innovation (CTI) is working with Fintechs like NetGuardians for taking machine learning and artificial intelligence technology in financial fraud detection to the next level. Similarly, technology firms are also leveraging the aid of Fintechs to offer better fraud analytics solutions. For instance, SAP Ventures has partnered with Feedzai, a data science company, which uses alternate data sources, such as mobile and social data streams, to create deep learning profiles for each customer, merchant, location or POS device, with up to a 3 year history of data behind it. Similarly, Mastercard acquired Fintechs like Brighterion and NuData Security to deliver online and mobile anti-fraud solutions using session and biometric indicators.

INTERESTING NEWS

Building on gains of digitalisation

The digital economy is expanding fast in the global South. Developing economies, led by China and India, accounted for nearly 90% of the 750 million people that went online for the first time between 2012 and 2015.



The study points out that more than half of the world's population still remains offline, and the pace of growth in access and use is slowing.

Source- The Economic Times

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Date- 03rd Oct 17

In India, Kotak Mahindra Bank has partnered with Fintechs like Quantum Data Engines (QDE) to deal with potential security breaches and threats at different stages of transactions. Leveraging the power of blockchain, Tonetag claims to pre-detect fraud even before it could take place. It alerts customers regarding compromised PoS machines by detecting injection of malware in the PoS machine.

Thanks to emerging technologies like Big Data, Machine Learning and Artificial Intelligence, Fintechs are zooming on the analytics wave to help financial institutions not just identify fraudulent transactions and reduce the number of 'genuine transactions declined', but also reduce the cost associated with managing blocked customers.

Today's News

Fino Payments Bank looks to acquire fintech startups

Fino Payments Bank is looking to acquire startups in the area of banking and mobile technology products and distribution platforms, apart from roping in strategic investors for the next phase of growth over the next six months.

"The payments bank, which had raised about Rs 400 crore around nine months back from ICICI and BPCL is now looking at raising another Rs 200 crore over the next 3-4 months by roping in strategic investors by diluting a minority stake," the bank's CEO Rishi Gupta told ET.

Source- *The Economic Times*

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Fintech firms fret over uncertainty in Sebi's investment advisory norms

The uncertainty in investment advisory norms for nearly a year has prompted another financial services body to write to market regulator Securities and Exchange Board of India (Sebi), asking it to rethink its proposed amendments to the Sebi (Investment Advisers) Regulations, 2013.

India FinTech Forum, comprising about 90 fintech firms, has told Sebi that it is impractical to separate the roles of advisory and distribution functions, considering the low penetration of mutual funds in India.

Source- *Business Standard*

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Digital drive gaining steam: Currency circulation declines during festive season, says RBI data

According to Reserve Bank of India (RBI) data, for the first time in more than a decade, the amount of currency in the hands of people has shown a contraction during the festive season.

Currency in circulation has dipped in three weeks out of the five to September 22. In absolute terms, it rose just Rs 9,738 crore between August 18 and September 22.

Source- *The Economic Times*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Fintech startup Curve partners with accounting software Xero to make filing expenses 'frictionless'

Curve, the London fintech startup that lets you consolidate all your bank cards into a single card and track your spending, has partnered with accounting software Xero to remove much of the friction involved in filing expenses.

The move is part of the newly-launched 'Curve Connect' feature that will see Curve connect to a growing list of third-party apps and services to make managing your money easier.

Source- *Tech Crunch*

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Tencent finalises its \$400-million investment in Ola, values startup at over \$3.8 billion

Chinese internet conglomerate Tencent has finalised its \$400-million investment in ride-hailing major Ola, valuing the Bengaluru-based startup at over \$3.8 billion.

Tencent's investment is part of an ongoing round of financing since November in which it has managed to mop up \$800 million till now. Ola could raise additional capital as it has also held talks with US-based hedge funds Coatue Management.

Source- *The Economic Times*

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Paytm Mall now supports 10 regional languages

Alibaba-backed Paytm Mall has introduced 10 regional languages on its platform with an expectation to increase its flow of customers by 30-40%.

The platform, which has been competing aggressively with top ecommerce players in the ongoing festive season to become the number three player in the market, is witnessing over 60% of the sales being contributed by smaller cities and towns.

Source- *The Economic Times*

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India going digital, paper clearing at banks falls

The Reserve Bank of India data shows the value of paper-clearing transactions fell a fifth from Rs 100 lakh crore in 2012-13 to Rs 80.9 lakh crore at the end of 2016-17. In the same period, the volume of such transactions fell to 120.6 crore from 131.3 crore.

Between 2016 and 2017, the volume of cheque transactions fell by over 11 crore. Paper clearing transactions, which accounted for 82 per cent value of total retail payments in 2011-12, shrunk to 37 per cent in 2016-17.

Source- *The Economic Times*

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VVDN, Embedded Downloads unveil blockchain-based phone

VVDN Technologies, an original design manufacturer, in association with tech firm Embedded Downloads, has announced the launch of 'BitVault', what the firms claim to be the world's first crypto communicator and blockchain-based Smartphone.

This smartphone uses blockchain technology to address the changing needs of financial institutions, government agencies, defence/police, logistic firms, cyber security companies and any business/individual who needs a private communications network.

Source- *Business Line*

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Bitcoins are neither legal nor illegal in India: S P Sharma, PHD Chamber of Commerce and Industry

Dr. S.P. Sharma, Chief Economist, PHD Chamber of Commerce and Industry said that neither has the government formally brought bitcoin under the definition of currency, nor has it made it illegal.

The RBI has cautioned investors about the risks associated with cryptocurrencies. Unless the cryptocurrency is properly and comprehensively regulated and monitored by a robust institution, I don't see bitcoin becoming a legal currency in India.

Source- *The Economic Times*

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GIFT-IFSC among top 15 global financial centres

India's first IFSC has been featured at the tenth place in the latest September 2017 edition of Global Financial Centres Index 22 (GFCI) — London. The Gandhinagar-based IFSC has ranked ahead of several leading financial hubs at Luxembourg, Seoul, Abu Dhabi, Toronto and Beijing.

GIFT has been put in the same leagues as other top financial centres at New York and Hong Kong. GFCI report has listed 15 centres that are likely to become more significant in the next few years.

Source- *Business Line*

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Robotic farm completes fully automatic harvest

An experimental robotic farm run by UK scientists has been harvested for the first time, yielding about five tonnes of spring barley.

Everything from start to finish — including sowing, fertilising, collecting samples and harvesting — has been done by autonomous vehicles on the farm. Researchers from the Harper Adams University in the UK believe that the robotic technology improve yields in agriculture, which is necessary to avoid food crisis with the growing population in coming years.

Source- *Business Line*

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