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Today's View

P2P: A new asset class?

Peer-to-peer (P2P) lending has cropped up as a new possibility for investors, through which they can earn relatively high interest on a short-term loan. In case this is the first time you've heard about it, P2P is about lending money to individuals or businesses through online services that match lenders directly with borrowers. It is basically a form of crowd-funding used to raise loans which are paid back with interest where the ROI is linked to the risk profile of the borrower.

At present China is the largest P2P sector in the world, with more than 2,400 platforms. Unlike in the United States, where P2P lending is heavily regulated, Chinese platforms have operated in a regulatory vacuum until 2016. This lack of appropriate regulations has allowed many platforms to set up operations quickly and easily while building new financial products in traditionally underserved areas like consumer finance and small business loans, it has also enabled incredible acts of fraud. The numerous high profile platform failures and frauds subsequently prompted the Chinese authorities to come out with a host of regulations at the end of 2016.

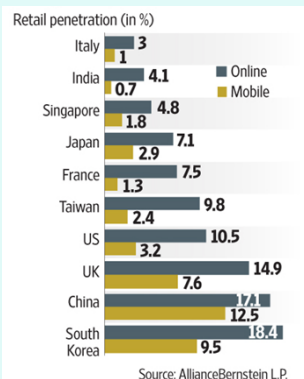
Back in India, P2P lending has managed to gather rapid pace in its two years of existence. Recent statistics put the volume through this medium at a relatively paltry Rs 20 crore, with leading platform Faircent.com lending about Rs 1.25 crore every month. However in light of the Chinese experience, the regulator is seized of challenges. RBI, in April last year, had put out a discussion paper to elicit public opinion and views of the various stakeholders on the future course of action for regulating this sector.

(Here: <https://rbidocs.rbi.org.in/rdocs/content/pdfs/CPERR280416.pdf>)

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Developing countries ahead in online retail

The rapid adoption of online retail and digital payments is making developing markets internet trendsetters.



E-commerce penetration in several emerging markets has already exceeded developed countries.

Source- Mint [READ MORE](#)

Date- 21st Mar 17

The RBI is expected to issue regulations for putting some cap on the interest rates charged on these platforms and also add strict financial disclosure norms to prevent money laundering. The regulatory framework would also include reporting, prudential and governance requirements; business continuity planning and customer interface.

The RBI regulations will surely be a major boost to lender and borrower confidence. It would also lead to a greater inflow of funds into the sector now with improvement in its reputation as an alternate investment tool.

Paytm introduces free insurance cover for e-wallet

Mobile-wallet company Paytm has finally introduced an insurance cover, at no additional cost, to protect its users' wallet balance, against any fraudulent use. All customers will be insured up to a limit of Rs. 20,000 or their wallet balance, whichever is lower.

With the cover, any amount lost due to fraudulent transactions as a result of theft, burglary, loss of device or unauthorised access of a user's Paytm wallet will now be refunded.

Source- Business Line

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ICICI Bank launches new app for rural customers with features for agri services and agri credit

ICICI Bank announced the launch of a mobile banking app 'Mera iMobile' for rural customers that allow them to access banking services as well as information on agri services. The app is open for both bank customers as well as others and is available in eleven different languages.

It allows users in rural areas to avail as many as 135 services on their mobile phone, helping them to save the time and cost of visiting a branch to avail these services. The list of services include Kisan Credit Card, Gold Loan, Farm Equipment Loan and loans to Self-Help Groups (SHGs).

Source- The Economic Times

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Yes Bank partners with Payjo for artificial intelligence solutions

Yes Bank has partnered with Payjo, an artificial intelligence banking platform based out of Silicon Valley, California to adopt its intelligence products. The YES Pay Bot will be the first AI-driven Bot for a wallet and will complement the YES Pay wallet service.

Yes Bank is launching its wallet services through a chat-based financial assistant in partnership with Payjo on Facebook Messenger. This will soon be available on other popular social media channels like Skype, Slack and WhatsApp.

Source- The Economic Times

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This News Letter has been prepared with the assistance of Pankaj Tadas and Aparna Anand

CoinTrie ties up with credit rating agency SMERA

CoinTrie, has tied up with SMERA Ratings to counter the traditional inefficiencies in the credit assessment of MSMEs and to provide technology driven services of CoinTrie to SMERA-rated SMEs. It also intends to create new credit rating frameworks by converging technological and field expertise of both the industry leaders.

The overall assessment will comprise multiple factors such as performance of the MSME, market developments, volatility, domain type and cluster-based factors. The partnership will, moreover, grant all the SMERA-rated SMEs easy access to CoinTrie's cutting-edge credit services.

Source- The Economic Times

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Mobile payment platform Chillr to launch UPI

India's first multi-bank mobile payment platform Chillr is all set to launch its Unified Payments Interface (UPI) facility by March-end, which will enable customers of nearly 45 banks to make payments on a single platform.

Chillr enables users to send and receive money to/from anyone in their phone book. It differs from online wallets as all fund transactions are between bank accounts.

Source- Business Line

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Federal Bank on digitisation drive to grow customers

The bank has also come up with a host of digital initiatives that include Aadhaar-based savings bank account opening (zero balance) through use of mobile phones (an app); e-payment through smartphones without use of PoS machines; and UPI-based merchant transactions to target new customer acquisition.

Source- Business Line

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IBM launches enterprise-ready blockchain service

International Business Machines Corp has launched a service that will allow businesses to build applications on its cloud using blockchain code from the Hyperledger Project, the cross-industry group led by the Linux Foundation.

The new product called IBM Blockchain was the first service for developers to build enterprise-grade technology using Hyperledger Fabric. The Fabric blockchain can process more than 1,000 transactions per second.

Source- The Business Times

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Setback for BHIM app, only 26% downloads translate into active usage: NPCI

The National Payments Corporation of India (NPCI) said that out of the 19.16 million downloads for the Bharat Interface for Money (BHIM) app only 5.1 million, or 26.6%, have translated into an active linkage with bank accounts. Usage of the app has been limited as a large number of people in the country have not linked their mobile numbers to their bank accounts.

Banks are expected to reach out to all their customers by various means and ensure universal acceptance of mobile banking services at the earliest.

Source- The Financial Express

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Huge spike in digital transactions because of demonetisation: B Shriram, MD State Bank of India

B Shriram, MD State Bank of India said that there has been a huge spike in digital transactions because of demonetisation which forced people to use cards and wallets. SBI is in a digital mode now with close to 80% of its transactions taking place via alternate channels.

Source- The Financial Express

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BNP Paribas reveals lucky FinTech 11

BNP Paribas has announced the 11 startups to participate in the second 'season' of its FinTechCorp Open Innovation programme.

Startups will be mentored by experts from the bank and from Atelier BNP Paribas. The aim is to boost sales potential, develop their products, structure and finance their ventures, build strategic partnerships, test business models and expand media presences.

Source- Ibs intelligence

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Flipkart said to raise \$1 billion with plans for \$1 billion more

Flipkart Online Services Pvt has completed a \$1 billion fundraising and aims to raise as much as \$1 billion more over the next few months, giving India's largest e-commerce company capital to battle back against rising competition.

Flipkart closed the latest round on Friday at a valuation of about \$10 billion. The valuation is a decline from Flipkart's \$15.5 billion in 2015.

Source- The Economic Times

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