

NEWS HIGHLIGHTS

New law needed for Aadhaar-social media linkage: UIDAI

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Today's View

The World of APIs

Our bank accounts not only hold our money but also are the key to vast amount of data. Data that depicts our spending patterns on dining, travel, and other eco system spends. Emerging Technology is now increasingly creating numerous options to maximize the value we get from our bank.

Open banking is an elegant architectural construct that provides a user with a network of financial institutions' data through the use of application programming interface (API). With open banking, third-parties can help you save money, borrow easily, and pay painlessly apart from offering a plethora of other services that traditional banking may not be able to provide. Disruptive or collaborative – startups are designing services at both end of the open banking spectrum.

solarisBank is a tech company with a German banking license offering an API-accessible banking platform. It enables digital companies to create custom services as per their requirements. It offers various services such as payment services for the marketplace, issuing vouchers, e-money and escrow solutions.

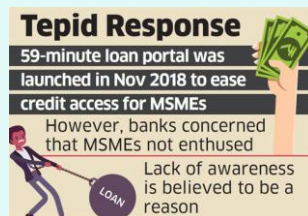
Keeping it simple, Stockholm based **Tink** provides open-banking APIs. The company offers plug and play application programming interface (API), that allow banks and Fintech companies to build account aggregation, payment initiation, data enrichment and personal finance management products.

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Reviewing 59-minute loan scheme to boost efficiency: Nitin Gadkari

The government is reviewing the 59-minute loan scheme launched last year for the benefit of micro, small and medium enterprises (MSMEs) to make it more effective.



Source – The Economic Times

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Date – 25th Sept 19

Similarly, **Plaid** makes building financial technology simple by fixing the infrastructure of banks and credit cards. Using their REST API, developers can get high-quality transactional and account data from most major financial institutions.

All the APIs designed have a dependency on the core banking systems of the banks containing the data. The APIs should be able to connect seamlessly, securely and without interfering with the core systems. **TrueLayer** from London connects third party companies with bank infrastructure and giving access to a standardized and categorized view of their customers' account balance, transactions, and credit card data.

Closer home Bengaluru based API infrastructure startup **SETU** is a platform connecting billers with multiple payment channels through an application programming interface (API). Integration with Collect (**SETU's** first product) enables billers to collect dues, get credit alerts and push receipts to customers.

The world of open banking rests on the success of the API and their ability to gain access to relevant data that can be mined to offer customized services. All this technology at the back end is providing the necessary impetus to providing customers the right set of customized offerings.

Today's News

New law needed for Aadhaar-social media linkage: UIDAI

The government will have to enact a "law" to link Aadhaar to social media accounts of individuals, the Unique Identification Authority of India (UIDAI) has said, as the current legislation only enables use of the unique identity for its schemes and subsidies. In a response to the Ministry of Electronics and Information Technology (MeitY) on September 13, UIDAI said the Aadhaar Act only allowed the identity document's use in schemes and subsidies funded out of the Consolidated Fund of India. Therefore, for anything outside the purview of the Act, a new law would have to be put in place, it said.

Source – *The Economic Times*

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Seven Indian banks join JP Morgan's blockchain platform

JP Morgan gave a big boost to its global transactions business by bringing in seven top Indian lenders such as ICICI Bank and Axis Bank to its blockchain platform that enables payments to reach beneficiaries faster with fewer steps in cross-border payments. Christened as IIN (Interbank Information Network), the platform is the first live blockchain service by JP Morgan and represents the largest number of banks to join a live application of blockchain technology.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of Prithwjit Ghosh and Vikas Madaan

OfBusiness raises Rs 250 crore

OfBusiness, a startup that lends to small and medium enterprises, has raised Rs.250 crore led by Norwest Venture Partners with participation from existing investors Falcon Edge and Matrix Partners. OfBusiness provides unsecured credit up to Rs.2 crore to SMEs through its own NBFC Oxyzo Financial Services, as well as by partnering with other financial institutions including Tata Capital and AU Small Finance Bank, among others. Asish Mohapatra, CEO, Of-Business said, "We strongly believe that lending is a commodity or will get commoditised in the future. The only way to monetise, engage and create network effects in lending is by adding services that are inherently valuable to the customer while being profitable on a stand-alone basis for the financier."

Source – *The Economic Times*

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Oyo parent Oravel sets up 2 JVs with SoftBank's SB Topaz

Oravel Stays, the parent company of hospitality chain OYO Hotels & Homes, has set up two joint ventures (JV) in India, with an entity - SB Topaz - controlled by its largest backer, SoftBank. Of the two JV entities - Mountainia Developers and Hospitality Pvt Ltd and MyPreferred Transformation and Hospitality Pvt Ltd - the former has been set up to acquire hotels-related real estate assets, ranging from land parcels to fully-developed properties.

Source – *The Economic Times*

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'On-tap' licensing of small finance banks: Will payments banks go for it

After granting licenses to ten players to set up small finance banks (SFBs) four years ago, the RBI has announced guidelines for on-tap licencing of SFBs, to widen the competition. Aside from higher minimum capital and revision in timelines for bringing down promoter shareholding, the guidelines for on-tap licensing are similar to that laid down earlier. Importantly, payments banks can apply for the small finance bank license. This implies that existing players in the payments banks space can convert themselves into a small finance bank. The question is, will they go for it?

Given that payments banks have been constrained by limited revenue streams, small margins and challenging business model, it is likely that many of them would consider applying for the SFB license. Converting into an SFB will allow these players to lend and scale up profitability.

Source – BusinessLine

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PhonePe, BharatPe in Delhi HC over 'Pe'

Two leading digital payment companies — PhonePe (endorsed by Aamir Khan), and BharatPe (by Salman Khan) — are fighting in the Delhi high court over the usage of 'Pe' (pronounced as "Pay") in their app names, with the former claiming trademark rights over it.

TOI has seen court documents where the Walmart-owned Flipkart's PhonePe sought an injunction order in a lawsuit against BharatPe. Senior advocate Kapil Sibal's son Amit Sibal is representing the Bengaluru-based PhonePe, which was recently valued at more than \$7 billion by Morgan Stanley. The Delhi-based BharatPe, over the last nine months, has emerged as one of the fastest growing merchant payment companies, an area PhonePe is expanding aggressively into.

Source – The Economic Times

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Amazon unlikely to add Reliance Retail stake to its shopping cart

Amazon's plan to acquire stake in Reliance Retail has likely fallen through due to the high valuation of Mukesh Ambani's retail business and the American ecommerce giant might have also demurred from such large investment in the Indian market after the government tightened regulations for foreign direct investment (FDI) in ecommerce, two senior industry executives said.

These executives, who have business relationship with Amazon, said Reliance has potentially valued the retail business at about Rs 2.5 lakh crore to Rs 3 lakh crore, and given that, Amazon's initial plans to acquire a minority stake of 10-25% will mean a huge commitment. Amazon was in exploratory talks with Reliance Retail for last 3-4 months.

Source – The Economic Times

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Reliance-backed Haptik acquires conversational commerce platform Buzzo.ai

Haptik, a subsidiary of Reliance Industries, on Tuesday announced that it has acquired Buzzo.ai, a Mumbai-based conversational commerce startup. Started in 2016 by serial entrepreneurs Anand Ramachandran and Vivek Arya, Buzzo.ai is a platform to create an expert advisor-like conversational shopping experience in any retail or e-commerce domains. With the aforementioned capabilities added, Haptik will be able to further enhance voice and chat commerce solutions for its customers globally. Haptik will also leverage the platform to power multilingual experiences for the next 500 million Indians that come online to shop.

Source – The Economic Times

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Zerodha's Rainmatter invests Rs 4 crore in Finception

Rainmatter, a fund that incubates innovative fintech ideas created by online stock trading startup Zerodha, has invested Rs 4 crore in early-stage startup Finception, which creates content around stock market investments. The company, started 18 months ago by Indian Institute of Management - Ahmedabad graduates, is trying to democratise stock market investments through educational content on companies and how their stocks are performing in the equity markets.

Source – The Economic Times

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