



NEWS HIGHLIGHTS

Fintech panel bats for virtual banks, easing KYC norms

P2P lenders knock on FM's door for easier credit rules

E-wallets to resolve complaints via internal ombudsman

With 50,000 startups registered, India aims for as many more by 2024

Today's View

Banking on the Clouds

On account of changing consumer expectations, advent of innovative technologies, and alternative business models, banks are building various strategies to prepare themselves for the future. One of the prominent strategies, 'cloud computing' is gaining momentum.

Cloud computing involves use of hardware and software to deliver a service over a network. With cloud computing, users can access files and use applications from any device to access the Internet. As per **Deloitte Global**, the number of organizations adopting the cloud to promote innovation has risen by 200% in the last 3 years.

The banking industry is home to a large volume of consumer data and is always eager to provide the best services to its customers. In such a scenario, the cloud computing technology serves as a transformative digital solution which offers unparalleled security, agility, and scalability to the banking sector while boosting its capability to handle consumer data.

A global financial services firm and one of the largest banks in the **United States** began using a platform-as-a-service private cloud a few years back. Leveraging cloud computing, it has developed two wholesale trading apps on public cloud.

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Amazon cloud kitchen at your service

Amazon will launch its private food brands in Bengaluru through its cloud kitchen, once the online retailing giant launches food delivery services in India, four people aware of the development said.

Amazon's kitchen may be set up in South-east Bengaluru, in Bellandur	
Bellandur centre may be a base to test deliveries and build a market in HSR Layout	Co has offered to make do with lower commissions from restaurants, wants them to break exclusivity contracts with others
Co may use its existing fleet to deliver ecommerce packages, complete restaurant orders and do grocery delivery	

Source – The Economic Times

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Date – 04th Oct 19

Similarly, a major bank in **North America** has adopted private cloud and got its feet set on the public cloud by primarily using software-as-a-service and infrastructure-as-a-service. The bank is expected to become multi-cloud in the next four years. Big-tech firms like Amazon Web Services, **Google Virtual Cloud**, **Microsoft Azure** and **IBM Bluemix** are providing cloud computing-based solutions to major banks.

On the other hand, **Westpac** is speeding up the process of moving all its core banking applications onto the cloud. Its new private cloud environment, which is based on **IBM** cloud technology, is expected to make development 10 times faster and three times cheaper.

In India, the newly licensed **Small Finance Banks** and **Payment Banks** are proactively embracing cloud computing for their core and surround banking solutions. It is not only helping them to reduce the capital expenses to start the business but also aiding flexibility to scale the infrastructure as the business grows.

While it is true that cloud computing technology has the power to transform the banking sector, it is imperative to have a customized, state-of-the-art cloud solution which can be helpful in increasing the overall business efficiency and productivity.

Today's News

Fintech panel bats for virtual banks, easing KYC norms

The Steering Committee on Fintech has submitted its report to the Finance Ministry, with recommendations on allowing the operation of virtual banks, easing KYC procedures, implementing Fintech to prevent fraud and incentivising non-banking financial companies (NBFCs) to increase lending to the agriculture sector, among others. The committee was formed in March 2018 under the chairmanship of the Economic Affairs Secretary to consider various issues relating to the development of the Fintech sector in India, and how Fintech can be used to enhance the financial inclusion of micro, small and medium enterprises.

Source – *The Hindu*

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P2P lenders knock on FM's door for easier credit rules

An industry body for peer-to-peer (P2P) lending platforms has asked the government to intervene to relax credit norms for the sector. The Association for NBFC Peer to Peer Lending Platforms has sought a meeting with finance minister Nirmala Sitharaman to explain the sector's potential and show how regulations have curbed growth. "The purpose of the meeting will be primarily in reference to the report submitted by the Steering Committee on Fintech on September 2, 2019, and apprise you on the development of the recently regulated peer to peer lending industry," the association wrote to the finance minister recently. ET has seen a copy of the letter.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and M T Rao

Tech Adoption is in Bangalore's DNA

Bangalore has been featured on the global list of top 25 high-tech cities, and rightly so for most of the people residing there not only work for technology but are literally being the face of rapidly changing technology. The sons from this soils established country's largest IT hub here. And people from around the globe have also shown interest over a period of time.

The young generation is more interested in start-ups and what they talk is just technology over a "Hottee Coffee". "For start-ups, Fintechs and tech experts this city is a Mecca," said a founder of a FinTech... Welcome to India's Silicon Valley, Bengaluru, commonly known as Bangalore... In FinTech Diary.

Source – *The Economic Times*

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E-wallets to resolve complaints via internal ombudsman

Large pre-paid instrument (PPI) issuers will now have to set up an internal ombudsman to address customers' grievances. The Reserve Bank of India (RBI), through its Statement on Developmental and Regulatory Policies has directed that large non-bank PPI issuers should have an internal ombudsman scheme to strengthen the grievance redressal process of these payment entities. Paytm Wallet and PhonePe Wallet are some examples of pre-paid instruments.

Source – *The Economic Times*

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India is now home to Uber's businesses in the country

Ride-hailing company Uber has restructured its corporate holdings and brought its India business, including food delivery, under Uber India Systems, which is registered in the country, sources said. The rides business and Uber's food delivery arm were earlier part of Uber BV, a private limited liability company registered in the Netherlands. As a result, its agreements with restaurants and payouts, which were earlier routed through the Netherlands entity, are being moved to India, two people said.

The rides business will also be invoiced out of India going forward. The restructured business operations went live on October 1. Uber was exempt from dual taxation because of a tax treaty between India and the Netherlands. "Eats and rides will now operate from the same India entity," said a person aware of the restructuring process. The move is intended to make Uber's operations legally sound, without any ambiguity, he added.

Source – *The Economic Times*

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With 50,000 startups registered, India aims for as many more by 2024

Regulators and officials now see potential in start-ups, and are invested in boosting their size and number. Guruprasad Mohapatra, Secretary at the Department for Promotion of Industry and Internal Trade of India, said in a statement, "There are 50,000 registered start-ups in India, and there will be 50,000 more by 2024 at this pace."

He was speaking as part of a panel at the ongoing India Economic Summit by the World Economic Forum in the capital on Friday. He added that there has been tremendous attitudinal change among government departments and this change has been accelerated since 2015-16 when a new policy came into effect. Shailendra Singh, Managing Director, Sequoia Capital India, Singapore, in a statement, said that Indian start-ups have come into their own in the last four to five years. "It is exciting to back these companies that have both disrupted existing companies and become full-stack online and offline businesses themselves. Technology is intrinsic to these companies, not only impacting them at a superficial level."

Source – *The Economic Times*

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Samsung Pay beta rolls out with international money transfers and Samsung Pay Cash card

Samsung Pay is, in my view, the best mobile payment app out there. It supports making payments through MST on Samsung Galaxy flagships and NFC payments on some devices, and you can hook up PayPal or most credit cards for payments. Samsung has also added cashback awards and Samsung Pay Rewards to the app. Now, Samsung is adding a few new features to make its payment service even better. Samsung is introducing the Samsung Pay Cash virtual debit card and Travelex integration for international money transfers.

Source – XDA

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This Fintech Safari Could Be a Wild Ride

From ATMs to credit cards and PayPal, the West's dominance of innovation in consumer finance appears to have exhausted itself.

At the top of the emergent new order is the Fintech duo from China — Alibaba Group Holding Ltd. and Tencent Holdings Ltd. Next in line are Alphabet Inc. and Walmart Inc., whose highly localized smartphone payment rivalry is playing out between Google Pay and PhonePe in India. In Southeast Asia, two homegrown ride-hailing giants are aspiring to dominate commerce.

Source – *Bloomberg*

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Festive Ecommerce sales touch \$1.8 billion in 3 days: Report

India's online retail sector clocked \$1.8 billion in gross merchandise value (GMV) during the first three days of the festive sales and is on track to hitting the \$3.7 billion sales mark by the end of the six-day sale period, according to a report from RedSeer Consulting.

RedSeer did not break out individual sales numbers of the two largest players in the market — Flipkart and Amazon. However, it found that consumers preferred shopping for fashion on Flipkart but bought electronics on Amazon due to lower prices and faster delivery.

Source – *The Economic Times*

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