



The FinTech Newsletter
By Bank of Baroda

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World

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BFSI at 5G Speed

5G will bridge our hyperconnected world to the future of digital transformation as the next generation of wireless data networks. It brings new bandwidth available at rates two to ten times faster than 4G, resulting in a huge expansion of the information superhighway.

As compared with 4G, 5G delivers three major benefits: the ability to send and receive (much) more data, the ability to send data (much) faster, and the ability to perform well under heavy load.

In 2022, 5G could reach 1 billion users after just 3.5 years, compared to 4 years for 4G and 12 years for 3G, according to a Statista report. As of June 2022, a Global Mobile Suppliers Association (GSA) report states that around 70 countries have 5G networks, up from just 38 in mid-2020 with China and the United States being countries with the most 5G cities.

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Prime Minister Narendra Modi joined the elite club on October 1 by launching the 5G telephonic services, which would usher an era of ultra-high-speed internet on mobile phones. In the first phase, the services have been rolled out for 13 major Indian cities and the technology will be introduced across the entire country in the next two years.

5G would have umpteen applications across industries and BFSI is one sector which has the potential to improve at 5G speed by combining technology and security to provide a fine tuned customer experience.

A data from IDC expects 5G smartphone shipments to account for more than 40% of global volume in 2021 and grow to 69% in 2025. This global 5G compatibility can then serve to improve mobile apps and remote banking with richer media communications and more instantaneous services. Faster throughput speeds and lower latency will accelerate credit approvals, improve customer service via chat, virtual assistants,

marketing and increase the security of mobile payments and transfers while reducing friction.

Banks usually try to maintain uninterrupted high times at ATMs to satisfy clients; customers always demand up time which can be mitigated with 5G by providing wide coverage, lesser cost and maintenance and better security. Wearable devices also shall also see a revolution with authenticity using cloud which will be more reliable and faster.

With 5G, data management could be faster and shall open doors for AI, persona based customer experience to give a very personalized banking experience to customers which is directly proportional to an increased customer acquisition.

Banks and fintechs will have to take the first mover advantage to stand by leveraging the 5G technology by shaking hands with trusted partners for a collaborative deployment of 5G based solutions.



Home grown StartUp Stories: Isupport Farming - who believes that everyone can be a farmer

Chennai-based organisation provides the complete package of technology and practice to farmers, with the idea that farming is a profitable and viable business. Isupport Farming Private Limited (IFPL) is engaged in the business of rendering support services to the farmers and farming communities to grow

crops, raise animal, to operate farms, poultry, goat farms, ranches, greenhouses, nurseries, orchards, or hatcheries, fish farming, shrimp farming, oyster farming, alga-culture and the cultivation of ornamental fish, other aquatic animals, or aquatic plants, farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants.



**I Support
Farming**

You can be a farmer too

Source – Your Story

UPI Payments now linked to RuPay Credit Cards



The National Payments Corporation of India (NPCI) has recently introduced a feature enabling the linkage of RuPay credit cards to the unified payments interface (UPI). You no longer need a point-of-sale (POS) terminal to use your credit card in a shop. With the new RuPay credit card on UPI feature, you can simply scan QR codes at merchant outlets and pay with the credit card via the UPI app.

RuPay credit cards on UPI can only be used for merchant payments. A customer can also use this new feature for electricity or OTT bill payments or other recurring merchant payments as RBI has permitted the auto-pay option for recurring transactions of up to Rs 15,000 without the additional factor of authentication, said Lalit Chowdhary, Senior Vice President, Mindgate Solutions. The standard transaction limit for the RuPay credit card on UPI for most of the merchants, has been set at up to Rs 1 lakh per transaction.

Source – Money Control

Nobel Prize in Economics for research on banks and financial crises



Modern banking research clarifies why we have banks, how to make them less vulnerable in crises and how bank collapses exacerbate financial crises. The foundations of this research were laid by Nobel Laureates in Economics for 2022, Ben Bernanke, Douglas Diamond and Philip Dybvig in the early 1980s. Their analyses have been of great practical importance in regulating financial markets and dealing with financial crises.

Diamond and Dybvig show how banks offer an optimal solution by acting as intermediaries that accept deposits from many savers, banks can allow depositors to access their money when they wish, while also offering long-term loans to borrowers. Ben Bernanke analysed the Great Depression of the 1930s, the worst economic crisis in modern history. Among other things, he showed how bank runs were a decisive factor in the crisis becoming so deep and prolonged.

[Source – nobelprize.org](https://www.nobelprize.org)

New credit guarantee scheme for startups with ₹10 cr ceiling

Amid tightening liquidity conditions in the country, the union government on Friday notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) to improve the availability of collateral free loans to startups.

The credit guarantee cover under the scheme would be “transaction based” and exposure to individual cases would be capped at ₹10 crore per case or the actual outstanding credit amount, whichever is less, the ministry of commerce and industry said in a statement.

Along with institutional mechanisms for operationalizing the Scheme, DPIIT will be constituting a Management Committee (MC) and a Risk Evaluation Committee (REC) for reviewing, supervising and operational oversight of the Scheme and that the National Credit Guarantee Trustee Company Limited (NCGTC) will be operating the scheme.



[Source – Mint](https://www.mint.com)



RBI to soon launch e-rupee on pilot basis for limited use

The Reserve Bank said it will soon commence the pilot launch of e-rupee for specific use cases as it tests digital currency in India. "As the extent and scope of such pilot launches expand, RBI will continue to communicate about the specific features and benefits of e-rupee, from time to time," the central bank said in a concept note on Central Bank Digital Currency (CBDC).

The concept note also discusses key considerations such as technology and design choices, possible uses of the digital rupee, and issuance mechanisms, among others. It examines the implications of the introduction of CBDC on the banking system, monetary policy, and financial stability, and analyses privacy issues.

[Source – The Hindu](#)

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