

NEWS HIGHLIGHTS

RBI finalises peer-to-peer lending norms

Investors are putting the fun(ds) back into Indian e-commerce

India worst hit by Petya in APAC, 7th globally: Symantec

Digital payments company Zeta buys stake in ZingHR

Today's View

API Banking

Continuing from our feature article on the World of API's from yesterday, the emergence of Fintechs has evidently intensified competition and stimulated collaboration in the banking and financial space. The conventional banks are now acknowledging disruptive ways of doing business, managing customers, optimizing processes through digital breakthroughs and technologies.

Traditionally, Bank data, such as details of personal or business bank account transactions, has been treated with highest standards of privacy and confidentiality. Customers can access and download their bank statements from their providers, but the same with a third party in machine-readable formats is a no go in the current scenario. Furthermore, information around Bank's products may be available online, but access to clean and structured data to leverage in order to create a service, is impossible.

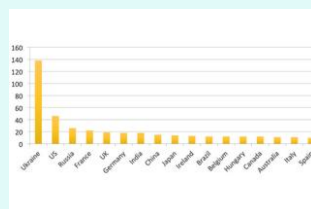
An open API makes this possible – while not directly exposing Bank data, it allows developers programmatic access to a proprietary software application or web service, through a publicly available application programming interface. Restricted (mostly codified) access to private data through such interfaces require the data owner's (individual or business) permission, subject to approved security and technical standards.

So, the next question to address is what's in it for the Banks? Both, Open and Partner APIs form the basis of partnerships between agile Fintechs and traditional Banks giving the latter an opportunity to shed their conventional approach toward technology, providing customer focused innovation. This not only helps in sprouting new ideas in the Banks, but also allows Banks to leverage into ready-made products and services, resulting in financial savings. Amongst the large public sector banks, **Bank of Baroda** is at the forefront leveraging the Open API stack to co-develop products with our fintech partners.

OTHER INTERESTING NEWS

India worst hit by Petya in APAC, 7th globally: Symantec

India has been the worst hit in the Asia Pacific region by the 'Petya' ransomware that has claimed thousands of victims globally, security software firm Symantec today said. Globally, India ranked as the seventh most impacted nation.



Ukraine, the US and Russia were among the worst hit by Petya that struck organisations across the world earlier this week. Other countries that were impacted included France, the UK, Germany, China and Japan.

Source- The Economic Times

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Date- 30th June 17

Amongst the private sector banks, **Yes Bank** launched an extensive suite of API Banking services to aid digitization of the B2B supply chain, presenting how API Banking can create a unique value proposition for customers, mitigate risks, enhance business productivity and help businesses garner incremental value from their own IT/ERP infrastructure.

Another large Indian public sector banks recently opened up a few APIs for a Hackathon, attracting the attention of multiple Fintechs and developers for new tech innovations. Apart from a string of innovation-centric benefits of API Banking, Banks can potentially monetise and design a revenue model around their data sets ciphered and made available through APIs.

Banks around the world are pursuing rewarding partnerships leveraging APIs, take for example **BBVA Compass**, using APIs to offer a real time payment service to customers by collaborating with Fintech Dwolla, eliminating the time and human effort of dealing with ACH and other legacy systems.

Beside banks and other financial institutions, even the regulators have acknowledged the adoption and potential of the API economy. Payment Services Directive 2 (PSD2) is a new banking directive from the European Commission focused on standardizing, integrating and improving payment efficiency while promoting innovation and offering better consumer protection.

API Banking is progressively coming to the forefront as the best way to effectively collaborate and quickly deploy tools to swiftly take on competitors. Banks making this transition efficiently will potentially be the market leaders for the digital age.

Today's News

RBI finalises peer-to-peer lending norms

The Reserve Bank of India (RBI) has finalised norms for peer-to-peer (P2P) lending platforms and is expected to release final guidelines in 2-3 weeks, a top finance ministry official said.

According to the official, the P2P lending interface will come under the purview of RBI's regulation by defining these platforms as NBFCs under the RBI Act by issuing a notification in consultation with the government.

Source- *The Hindu*

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Seventy per cent commodities to become cheaper under GST: ICAI

With the goods and services tax (GST) set to be rolled out from July 1, the Institute of Chartered Accountants of India (ICAI) on Thursday sought to dispel the concerns about price rise due to the new indirect tax regime.

The ICAI's indirect tax committee chairman, Madhukar Narayan Hiregange, said prices of 70 per cent commodities would come down if the GST chain was not broken.

Source- *Business Standard*

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

Digital payments company Zeta buys stake in ZingHR

Digital payments and meal vouchers company Zeta has invested Rs 5-10 crore to buy a minority stake in human resources solutions entity ZingHR.

Through the investment, Zeta plans to reach out to the employees that ZingHR serves through its corporate clients. ZingHR has also raised funds from its existing investor Triton. The company intends to use the funding to expand its client base and strengthen technology platform.

Source- *The Economic Times*

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Svatantra Microfin launches cashless solution 'Saathi'

Mid-sized microfinance institution Svatantra Microfin is looking at doubling its loan disbursements to 800 crore by 2019, even as it plans to expand its operations to more States within the same period.

Svatantra has also launched an app, an end-to-end cashless solution called Saathi, for an entire spectrum of operations in areas such as loan originating system, loan management system and collections. In partnership with third-party service providers, it has also created a affordable, cashless mediclaim product for up to five family members.

Source- *Business Line*

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Investors are putting the fun(ds) back into Indian e-commerce

Private equity and venture capitalists are once again backing e-commerce ventures in India although they're cherry-picking their investments.

Already, close to \$4 billion has been invested in the six months to June, compared with \$1.6 billion in the corresponding period of 2016, data from Jefferies show. However, while earlier in the year the investments were spread across several players, Paytm and Oyo hogged about 70% of the total funding in the April-June quarter of 2017.

Source- Financial Express

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Maharashtra CM Devendra Fadnavis inaugurates Fintech startup accelerator ISME Ace

Indian School of Management and Entrepreneurship (ISME) Ace, India's largest FinTech Accelerator Program, was inaugurated by Maharashtra Chief Minister Devendra Fadnavis.

ISME ACE would be a launchpad for early stage startups which will provide host of benefits to FinTech Startups including seed funding of USD 100,000 gross, access to financial services partner firms, focused mentorship, marketing and technology support.

Source- Money Control

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RBI directive on withdrawals, transfers by payment banks

The Reserve Bank of India on Thursday said a payment bank (PB), which acts as a Business Correspondent (BC) of other banks and has sweep out arrangements with them, can facilitate withdrawals and transfers by the customer from his/her account with the other bank of which it is the BC.

Under the BC arrangement and with prior specific or general consent of the customer, PB may effects the transfer of funds deposited by the customer into the customer's account with another eligible bank, so that the balance in his/her account with the PB does not exceed Rs. 1 lakh or any such lower amount as specified by him/her.

Source- Business Line

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Firms 'getting proactive on cyber security'

Companies and banks are now more receptive to the idea of constituting an 'incident response team' for dealing with cyber attacks.

The team needs to create an incident response plan, document it, test it regularly to identify gaps and challenges within the environment, according to the Kerala Police Cyberdome. The Cyberdome is ready to help companies with internalising a cyber-secure culture, said Manoj Abraham, its nodal officer, and an Inspector-General of police.

Source- Business Line

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Indian School of Business sets up incubation for startups

The Indian School of Business (ISB) has formally launched its startup incubation and acceleration arm, DLabs.

DLabs leverages resources, expertise and networks of the Centre for Innovation and Entrepreneurship at ISB through mentorship, education and investor connect. It has been set up in collaboration with the Department of Science and Technology, Government of India. In the last two years, ISB has incubated 32 startups and DLabs is expected to further incubation and business acceleration of new ventures.

Source- Business Line

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Singapore and Denmark Regulators Sign Fintech Cooperation agreement

Regulators in Singapore and Denmark are building bridges to assist Fintech companies expand abroad. The Singapore's Monetary Authority of Singapore (MAS) and the Danish Financial Supervisory Authority (Danish FSA) yesterday have entered a cooperation agreement to promote innovation in financial services in their respective markets.

The agreement aims to help FinTech companies in both countries to expand into each other's markets and also provides facilitated introductions when a fintech firm operating in one jurisdiction wants to better understand the rules in the other.

Source- Finance Magnates

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