



## NEWS HIGHLIGHTS

**Government plans norms for e-wallet firms to prevent online frauds**

**NASSCOM signs agreement with local Chinese government to push for AI**

**Trading in bitcoins under taxmen, Enforcement Directorate lens**

**Infosys Finacle Selects Niki.ai to Offer Chat Based Commerce**

## Today's View

### Refugee Banking

As per UN estimates, there are over 60 million refugees around the globe. While some natives may harbor negative sentiments toward refugees, sheltering refugees isn't necessarily a burden on the host communities. Given the lack of access to day jobs, immigrants are more likely to start businesses than the natives. In the U.S., for instance, nearly 18% small-business owners were born abroad, compared to a 12% figure a couple decades ago. These refugee owned business also offer a business opportunity to financial institutions.

New refugees generally don't have access to formal banking system and that makes it difficult for governments, NGOs and aid organizations to ensure that funds are being distributed evenly. To overcome such challenges, institutions are partnering with Fintechs that are providing partially restricted prepaid cards to ensure access to funds for genuine refugees, while effectively monitoring usage.

Many governments have partnered with Fintechs in this regard. For example, Finland, in collaboration with local Fintech **MONI**, is providing refugees with a prepaid debit card instead of cash, and linking the identity of cardholders to the Blockchain. Besides tracking spending and recording identity, these cards allow asylum seekers to get salaries and pay taxes when they get involved in the formal workforce. On the other hand, Fintech **Mercy Corps** and card association **MasterCard** are offering prepaid cards to refugees in Nepal and Congo to deliver aid quickly and securely in times of emergency. Similarly, **Prepaid Financial Services** announced a contract with a European government to provide pre-paid cards to 30,000 asylum-seekers per year.

Beyond governments, traditional banks are also leveraging the power of Fintech to provide banking services to refugees. **solarisBank**, a German digital bank, has developed a banking toolkit for Fintech companies with several modern banking APIs to use technology for humanitarian crises. Similarly, Estonia's largest domestic bank, LHV has partnered with **Transferwise**, a Fintech providing money transfer services

## INTERESTING NEWS

### Deep learning is the money tree for IT companies

Given the push towards automation by the IT sector, it comes as no surprise that by 2020, the projected revenue share by different sub sects of artificial intelligence technology will be dominated by deep learning (42%), machine learning (21%) and natural language processing (16%).

#### MAJOR FINDINGS

##### Artificial Intelligence

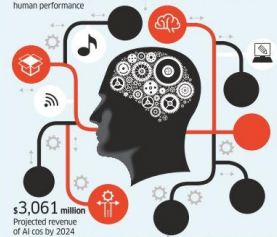
Artificial Intelligence (AI) software performs complex tasks of learning and cognition. This characteristics makes AI a particularly unique technology from the perspective of business models and value creation, as it simulates (and can often exceed) human performance.

##### Techniques of AI

Machine learning, deep learning, natural language processing (NLP), machine vision, expert systems etc.

##### Stages of AI

Narrow artificial intelligence (Intelligence in a specific narrow field) → Artificial general intelligence (across the board human level intelligence) → Artificial super intelligence (exceeds average human intelligence)



Source- *The Economic Times*

[READ MORE](#)

Date- 21<sup>st</sup> Sept 17

through its mobile application. The company was founded by immigrants, built by immigrants, and used by immigrants.

While KYC and AML regulations may have contributed to challenges such as financial exclusion faced by refugees due to absence of identity documents, a new regulation by EU with effect from September 2016 mandates banks to offer basic payment accounts to all customers including refugees. These are not without certain protections through. For example in Lebanon, where 25% of the population are migrants, regulations state that refugees not consenting to iris scans do not qualify for UNHCR subsidies.

Acknowledging the growing population of refugees along with their ever growing need for financial support, coordinated efforts by regulators, governments, and financial institutions along with Fintechs are increasingly required to implement innovative ideas like "Refugee Banks" and make lives of refugees simpler and meaningful.

---

## Today's News

### Government plans norms for e-wallet firms to prevent online frauds

Mindful of the heightened risk of cyber fraud on account of growth in digital transactions post-demonetisation, the Centre is contemplating a standard protocol for e-wallet companies on how to prevent and fight online financial fraud.

The finance ministry has also been asked to look at a possible Digital Payments Act to regulate the entire gamut of e-payments. A key decision taken at meeting was setting up of an inter-ministerial committee to assess all aspects of cyber and phone-related fraud and make recommendations on how to make the digital payments regime more secure. The committee will also have two members from banks and e-wallet companies.

Source- The Economic Times

[READ MORE](#)

### NASSCOM signs agreement with local Chinese government to push for AI

India's premier IT industry body signed a major agreement with an influential local Chinese government to provide a head start for Indian firms in the field of Artificial Intelligence and Internet of Things.

The National Association of Software and Services Companies (NASSCOM), India's premier trade body for IT-BPM companies, signed a framework agreement with Dalian Municipal People's Government, allowing more Indian companies to penetrate into huge Chinese software market.

Source- The Economic Times

[READ MORE](#)

This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

### Infosys Finacle Selects Niki.ai to Offer Chat Based Commerce to Banking Customers

Infosys Finacle, part of EdgeVerve Systems, a wholly-owned subsidiary of Infosys announced its partnership with Niki.ai, a FinTech start-up that offers chat based commerce solutions. With this partnership, Finacle solution suite will be available with Niki.ai's chat-based virtual assistant - Niki.

This offering will enable banks to offer its customers a virtual banking assistant for shopping products and services.

Source- PR Newswire

[READ MORE](#)

### Mphasis, Softomotive team up for digital transformative services

Softomotive, one of the leading Robotic Process Automation (RPA) technology providers, and Mphasis, an IT services provider specializing in cloud and cognitive services, announced a new Solution Partner relationship to empower their digital transformation capabilities for clients worldwide.

The collaboration builds on deep vertical expertise, next-generation IT services and advanced automation technology to help organizations accelerate their digital transformation journey across industries globally.

Source- The Economic Times

[READ MORE](#)

## Trading in bitcoins under taxmen, Enforcement Directorate lens

Investments in crypto-currency have come under the radar of tax authorities and investigation agencies amid concerns that they could have become conduits for illicit flows and the movement of black money.

The Special Investigation Team (SIT) on black money appointed by the Supreme Court has expressed worries about crypto-currency and suggested curbs on their trading in its draft report.

Source- *The Economic Times*

[READ MORE](#)

## Bitcoin heading to November split: Experts

Bitcoin is looking increasingly likely to splinter off again in November, creating a third version of the world's largest crypto-currency, as miners and developers pursue separate visions to scale its rapidly growing marketplace.

Major industry players, including the bitcoin investor Roger Ver known as "Bitcoin Jesus" for proselytising on behalf of the digital currency, say consensus between opposing camps looked increasingly unlikely.

Source- *Business Standard*

[READ MORE](#)

## Indian, Chinese IT companies discuss avenues in artificial intelligence

Several Indian and Chinese IT companies on Wednesday got together in China's port city of Dalian for cooperation in the field of artificial intelligence.

On the first India-China Dalian IoT (Internet of Things) Conference, the government officials and company representatives from both sides agreed that a lot can be done if India's excellence in software technology and China's expertise in hardware are brought together.

Source- *The Economic Times*

[READ MORE](#)

## How to protect cyberspace: India needs indigenous tools, niche workforce, says PwC-Assocham

Creation of indigenous tools along with building human capacity with relevant capabilities is imperative to secure India's cyberspace. While the government should create a robust policy environment and ensure adequate technology support, businesses should not limit their efforts towards cyber resilience merely for compliance, but practise self-regulation, says a report titled 'Securing the Nation's Cyberspace' by PwC-Assocham.

Sivarama Krishnan, partner & leader—Cyber Security, PwC India said that cyber threats can cause crises that can not only lead to national threats, but also affect business continuity, cause financial and reputation loss.

Source- *Financial Express*

[READ MORE](#)

## Centre to direct states to stop physical trading in mandis with e-NaM

The direction to the states is expected to be issued soon to totally stop any physical trading in mandis where e-NaM has been established.

The matter is expected to be discussed further at a meeting of state ministers with their counterparts in the Central government on smoothing agriculture markets this week.

Source- *Business Standard*

[READ MORE](#)

## Andhra Pradesh Government and Fintech Valley Vizag set to hold the next leg of Blockchain Business Conference in Vizag

Fintech Valley Vizag, the flagship initiative of Government of Andhra Pradesh announced a two-day Blockchain Business Conference to be held on October 9th & 10th 2017 at Vizag. The conference marks the second leg of the Fintech Valley Vizag initiative that was started with the Fintech Spring Conference in March 2017.

It will be a power-packed two-day expo that aims to connect decision makers from government bodies and the industry, working on Blockchain technologies to create business and investment opportunities for startups.

Source- *India Education Diary*

[READ MORE](#)

**Disclaimer:** The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.