

NEWS HIGHLIGHTS

Microsoft to deploy artificial intelligence for Flipkart's future sales

E-tail tops Rs 9,000 crore during festive sales: RedSeer

Canada is new El Dorado for Indian start-ups

Online lending co Rupeek set to get \$12 mn

Digital payments up, debit card use declines: Report

Today's View

Regulatory Bodies and Fintechs

The growth of fintech is redefining the relationship between regulatory bodies like RBI and SEBI and financial services firms like banks. In 2016, the growth of fintech reached a new high with global venture capital investments in fintech valuing USD 17.4 billion.

To leverage the potential of fintech, central banks are collaborating with such start-ups, even inputs of policy formulation around compliance and technology. For instance, when the U.K.'s Real Time Gross Settlements System (RTGS) faced outages, private firms like **Deloitte** conducted an independent review on behalf of the U.K.'s central bank. Based on this review, the central bank delayed the joining of two banks to the Automated Clearing House and provided access for "challenger banks" to the Bankers Automated Clearing Service (BACS).

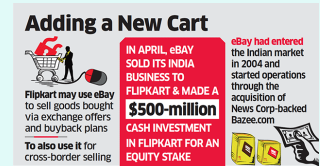
With growing importance of fintech in the banking world, central banks across the globe are taking steps to acknowledge and regulate such fintech firms. **Banco Central do Brasil (BCB)**, Brazil's monetary authority, is working on fintech regulations to fuel the growth of fintech firms and services in Latin America's biggest economy. **Bank of England**, on the other hand, has become the first central bank to launch a fintech accelerator to get the support of start-ups in areas such as cyber security, data protection and distributed ledger. While China's central bank, **People's Bank of China** has set up fintech committee to analyze the impact of big data and AI on the monetary policy and financial markets.

Various central banks are also coordinating with one another to create a regulatory roadmap for fintechs. For example, **Bank of Thailand (BOT)** and the **Monetary Authority of Singapore (MAS)** have signed a fintech cooperation agreement and updated an existing memorandum of understanding on banking supervision for fintechs. Similarly, **Bank of Japan** has partnered with the **European Central Bank** for fintech agreement on payment and settlement systems.

INTERESTING NEWS

Flipkart may put eBay to good use for used goods

Flipkart is finalising another use for eBay India after deciding to employ it as a global sales platform for its thousands of vendors — to sell used or refurbished products.



India's largest online marketplace will primarily use eBay India, which it recently acquired, to sell used goods it receives from customers through its product exchange offers and buyback guarantee schemes.

Source- *The Economic Times*

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Date- 26th Sept 17

Even in India, RBI set up an Inter-regulatory working group on fintech and digital banking to review and reorient the regulatory framework for the rapidly evolving fintech scenario while simultaneously managing the evolving challenges and risk dimensions. However, regulating fintech is a tricky turf as reflected by Mr. R Gandhi, retired Deputy Governor. To ensure that innovative business models of fintechs get a fair chance, the regulator faces a dilemma to decide among five different regulatory philosophies – totally ignore, totally block, active regulation, passive regulation and catalytic regulation. Regulation also offers a stamp of approval that fintechs seek - as has been observed in the case of P2P lending, which were seen clamouring to be regulated by RBI.

As fintech increases in importance, bringing together fintech firms' expertise with regulatory experience is a promising way to further grow emerging technologies like AI, Machine learning and Natural Language Processing in the financial domain - and have just the right amount of risk based regulation.

Today's News

Microsoft to deploy artificial intelligence for Flipkart's future sales

Flipkart is working with Microsoft to deploy artificial intelligence and machine learning-based solutions that will making it easier to run future sale.

Flipkart, which recently concluded its Big Billion Day sales, saw three-times more users and as much as 30 times its usual amount of traffic during the sale. It saw no major glitches and is already looking at improving its technology systems for the next sales.

Source- The Economic Times

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Fintech firms must develop mechanisms to mitigate cyber-attacks: Study

As per an ASSOCHAM-PwC joint study titled, 'Securing the cashless economy, incorporating a more agile cyber risk management approach may enable companies to more effectively harness the ongoing digital revolution to their advantage.

It also reported that with India seeing a shift towards cashless economy, the types of cyber security incidents like phishing, scanning, website intrusions and defacements, virus code and denial of service attacks will continue to grow.

Source- The Economic Times

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

A.P. takes the lead in popularising blockchain technology

The State government has taken the lead to demystify blockchain technology and revolutionise the business landscape by conducting a global summit on the emerging subject in the backdrop of damage caused to cyber security by WannaCry ransomware attack, in the city on October 9 and 10.

Captains from IT companies specialising in financial technology, over 40 startups from 20-plus countries, policy-makers from the Centre and the States, and CEOs of banking and insurance sectors have already consented to attend the summit to be held at Hotel Varun Beach Novotel.

Source- The Hindu

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First Collaborative Working Space for Artificial Intelligence in Asia to Launch in Singapore

The Carrot Patch, Asia's first collaborative work space dedicated to artificial intelligence (AI) is set for an official launch in November 2017 with a mission to house and nurture the most brilliant minds in the industry under one roof.

The Carrot Patch aims to be the hub where the AI-savvy and the AI-curious work, collaborate and ideate to elevate AI research and development.

Source- Asia One

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E-tail tops Rs 9,000 crore during festive sales: RedSeer

India's burgeoning online shopping market topped Rs 9,000 crore (\$1.5 billion) in sales during the five-day period that ended on September 24. Online sales grew by over 40 per cent from the \$1.05 billion generated during the festive sale days in 2016 and more than doubled compared to the 2015 edition.

According to market analyst RedSeer Management Consulting, the Flipkart group dominated this year's sale with a gross merchandise value of Rs 5,200 crore, helping it corner 58 per cent of the online retail market.

Source- Business Standard

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Canada is new El Dorado for Indian start-ups

An incubator, Zone start-ups, which helped 22 start-ups move to Canada, believes that the trend will only increase. According to Ajay Ramasubramaniam, Director at Zone start-ups India, Canada is the perfect destination for Indian start-ups looking to build a global business.

Canada is one of the first countries to set up a 'start-up Visa Program', which not only helps businesses migrate and access local markets but also provides access to Canadian funds and accelerators.

Source- DNA

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Digital payments up, debit card use declines: Report

Investment banking firm Jefferies on Monday said there is growth in digital payment mode by bank customers post-demonetisation whereas there has been a decline in usage of debit cards.

The National Electronic Funds Transfer (NEFT) volumes have grown upwards of 30 per cent with a further around 10 per cent improvement in per-transaction size, resulting in around 40 per cent growth by value.

Source- The Economic Times

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KVGB to have Aadhaar-enrolment centres in 10% of branches by Oct 10

Karnataka Vikas Grameena Bank (KVGB), which has jurisdiction over nine districts in Karnataka, is targeting to open Aadhaar-enrolment centres in at least 10 per cent of its branches by October 10.

Inaugurating the first such centre at its branch in Dharwad on Saturday, S Ravindran, Chairman, KVGB, said it is the first bank to provide this service in northern Karnataka, and the first regional rural bank to provide this service in the State.

Source- Business Line

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Online lending co Rupeek set to get \$12 mn in early stage funding

Rupeek, a digital lending company offering gold loans, is set to raise about \$12 million (about Rs 79 crore) in an early-stage funding round led by Accel India and financial inclusion-focused investment firm Lok Capital.

The company is expected to be valued at \$40-45 million after the transaction. The startup is adding Rs 2 crore to its loan portfolio every month and has a revenue run rate of \$1 million.

Source- The Economic Times

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Amazon's Great Indian Festival Sale was its biggest shopping event ever

Amazon's aggressive bet on India's festive sales is chugging along smoothly for the company. The four-day Great Indian Festival Sale, which Amazon India ended on Sunday, was the biggest shopping event ever for the company since it entered India four years ago, the e-commerce giant said on Monday.

Amazon also boasted of winning new customers through the sales. More than 85 percent of new customers came from small towns and cities. As Amazon and Flipkart both mature their businesses, they are increasingly looking beyond metro and other tier 1 cities.

Source- Gadgets 360

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