



NEWS HIGHLIGHTS

UIDAI puts digitally signed QR code with photo on eAadhaar

Indian tech start-ups may struggle to comply with new EU data law

Fintech start-up Kaleidofin raises 18 cr in seed round

PayPal ready to store transactions data in Indian servers

Today's View

Invoice Redirection Fraud

For those unaware about this fraud, here is how it works - Invoice redirection fraud happens when a company is tricked into changing bank account payee details of its suppliers and this formal change request is generally made through fraudulent emails where these cybercriminals pose as suppliers. Payments are made to these fraudulent accounts and the scam is only discovered when the legitimate supplier of the product or service chases for non-payment of an invoice.

As per the 2017 **AFP Payments Fraud Survey**, there has been a massive increase in payments fraud hitting businesses since 2015 and out of the companies surveyed, 74 % were hit by the business email compromise scam.

There's been a rise in "business-email-compromise" scams globally. According to the **FBI**, from October 2013 through February 2016, law enforcement received reports from 17,642 victims who claimed they were swindled out of more than \$2.3 billion. And since January 2015, the FBI has seen a 270% increase in identified victims.

In a worldwide email scam in 2016, more than \$60 million was stolen from small and midsize businesses and their banks, and West African fraudsters were identified as the players behind the scene. The Interpol press release mentioned mainly 2 types of payment diversion frauds – one where a supplier's email would be compromised and fake messages would then be sent to the buyer with instructions for payment to a bank account under the

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Satellite images data to help predict economic indicators

The government is working on a project to make available latest satellite images and information to frame economic and development indicators

New Launch Pad

Real-time data to help policymakers come up with need-specific solutions

Sectors like health, education, agriculture, sanitation & employment to benefit

Current policy-making is based on once-in-a-decade census data

Niti Aayog to collaborate with IIT-Delhi for the project

Source – The Economic Times

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fraudster's control, —the other is the CEO fraud, in which the email account of a high-level executive is compromised and a request for a wire transfer is sent to another employee who has been identified as responsible for handling these requests. One such example is Barbie manufacturer **Mattel** sending more than \$3m (£2.3m) to a fraudulent account in China after a finance executive being misled by a message supposedly sent by the new chief executive.

Invoice redirection fraud is becoming a growing problem in the B2B marketplace and has devastating consequences for small businesses that fall victim to the scam. The concern for banks is that their filters typically don't spot this kind of fraud but banks are now encouraging their corporate clients to protect themselves by employing methodologies such as using two-factor authentication on email accounts and building better security controls around wire transfers.

Banks are also working with technology solution providers to cater to this threat. For example, **NatWest Bank** has collaborated with **Vocalink Analytics** to develop, test and launch Corporate Fraud Insights, which uses AI and machine-learning techniques to identify and flag suspicious non-real time payments. **RBS Bank** is also working with Vocalink to create a system that scans transactions by about a million small and large business customers to identify fake invoices and prevent customers from paying fraudsters.

We feel that with such prevalent threats, businesses should start spending more resources on cybersecurity and banks should facilitate this engagement in order to minimise the threats.

Today's News

UIDAI puts digitally signed QR code with photo on eAadhaar

The Unique Identification Authority of India (UIDAI) has brought in secure digitally-signed QR code on eAadhaar that will now contain photograph of the Aadhaar holder too, in addition to demographic details, to facilitate better offline verification of an individual.

Source – Mint

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Indian tech start-ups may struggle to comply with new EU data law

The European Union's (EU's) upcoming General Data Protection Regulation (GDPR), which envisages strict rules for handling personal data of users, is proving to be costly for Indian technology start-ups that have operations in Europe.

The new regulation that takes effect on 25 May specifies new protocols for handling and storing private data, and sharing it with third parties.

Source – The Economic Times

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

FedEx ties up with Wirecard

FedEx has expanded its retail footprint in India through an alliance with Wirecard, wherein 1,000 Wirecard retail outlets will offer FedEx services by the year-end. The association with Wirecard, a provider of digital financial technology, is part of the retail expansion through the FedEx Authorized Ship Centre programme, which provides customers with convenient and secure pick-up and drop-off services.

Source – Businessline

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Matrix Partners leads investment in blockchain firm Elemental Labs

Marking its foray into blockchain, Matrix Partners has invested an undisclosed amount in Elemental Labs, a blockchain administration platform that helps developers build and manage blockchain networks at scale.

Source – The Economic Times

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Uber agrees to buy electric cycle-sharing startup JUMP Bikes

Ride-hailing company Uber Technologies Inc said on Monday it has agreed to buy electric bicycle service JUMP Bikes, allowing Uber to offer U.S. passengers an alternative to cars and further consolidating the crowded bike-sharing industry.

Source – The Economic Times

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Fintech start-up Kaleidofin raises 18 cr in seed round led by Omidyar Network

Chennai-based financial technology start-up Kaleidofin, which provides tailored financial solutions to those in the informal sector, has raised about Rs 18 crore (\$2.8 million) in a seed round led by Omidyar Network.

Kaleidofin will use the money to grow its customer base pan-India, tie up with more banks and financial institutions and to invest in technology and analytics.

Source – Businessline

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PayPal ready to store transactions data in Indian servers

Online payments firm PayPal is open to locating transaction data of its customers in India locally and said it is engaged with the Reserve Bank of India (RBI) to understand its mandate issued last week asking payment firms to comply within six months.

The RBI on Thursday noted that few payment system operators and their outsourcing partners store the payment system data, either partly or completely, in the country.

Source – The Economic Times

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L&T Tech Services inks pact with ExxonMobil

L&T Technology Services (LTTS) has signed an agreement with ExxonMobil Exploration Company in a deal valued at over \$20 million in the first year. LTTS will work in collaboration with group company Larsen & Toubro Infotech (LTI) on this engagement, the company said in a statement.

Further, as part of the deal, LTTS will enable conversion of historical geoscience content into digital by using automation utilities. This will provide geoscientists with improved data availability, enhancing the speed and efficiency of analysis and evaluation.

Source – Businessline

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'Ideas' conference to grapple with dark side of tech

At a conference where thinkers and luminaries gather to discuss world-changing ideas and innovations, the talk is shifting to the dark side.

This year's theme of the annual Technology, Entertainment and Design (TED) conference starting Tuesday in Vancouver is "Age of Amazement," but with a keen eye on unintended consequences.

Source – Business Times

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Ola in talks to buy Freshmenu after Foodpanda acquisition

Ola has held talks to buy private label food firms following its purchase of food ordering app Foodpanda, three people familiar with the matter said, as the cab hailing firm explores creating an independent food technology company.

Ola (ANI Technologies Pvt. Ltd) has held talks to buy food brand Freshmenu (Foodvista India Pvt. Ltd) and at least one similar firm, the people cited above said.

Source – Mint

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Fintech platform IBSFINtech ties up with Reuters

Bengaluru-based fintech platform IBSFINtech has partnered with Thomson Reuters for an integrated corporate treasury management solution.

The integration will allow treasurers to mitigate operational risk and improve business efficiency. It will also help IBSFINtech to power their corporate treasury solution with market feeds, market analysis and access to forex liquidity.

Source – The Economic Times

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