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**Voyager Nomura Fintech Partnership to build solutions for capital markets and investment banking**

**Global majors make a play for India's digital payments market**

## Today's View

### Cardless Cash

Enough said about contactless payments, let's talk about cardless cash now. Before India set itself on the road of becoming a digital economy, some of us would remember the times when leaving our wallet behind would make surviving through the day difficult and yes, there are still times when we need cash.

Wouldn't cardless withdrawal of cash from the ATMs make our lives a tiny bit easier? Currently, there are some banks including Bank of Baroda which offer the 'cash on mobile' feature on their mobile banking apps. This feature lets the user withdraw money from an ATM without swiping a card just by entering the OTP generated on the mobile.

There are numerous advantages for the mobile-based cash withdrawal; chief among these is the possible elimination of card skimming. In light of recent data breach which led to over 32 lakh debit cards in India being compromised, the cardless withdrawal looks more enticing. The compromised debit cards were used in ATMs that are suspected to have exposed details of the cards to the malware. By getting rid of the card altogether, it makes the transaction all the more secure. The other hassles arising due to loss of card like by hot listing it and getting the same reissued is completely done away with.

This feature unknowingly is helping with financial inclusion as well. The cardless transaction gives a second option for cash withdrawal from the ATMs apart from the debit card. The migrant population generally leaves the debit card behind in the villages for their families to withdraw cash. They can now use the 'cash on mobile' feature for themselves or vice-versa.

Another interesting technology in use for cardless cash withdrawals is through the sound based proximity communication technology which companies like Tonetag are offering. Here the withdrawal experience is completely secure and seamless. It's also quicker for the customer as it allows pre-staging the transaction using mobile thus reducing the time spent at the ATM.

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**Micro ATM fee: Big banks plan escape route**

The big boys of Indian banking will meet on April 19 to work out an escape route from the interchange fees on micro.

#### Fee For All

0.1% from 1% IBA unilaterally cut interchange fee on micro ATMs	Current Fee 1% with a minimum of ₹5 and a maximum of ₹15
39 lakh Total transactions done through micro ATMs as of January-end	Proposed Fee Up to ₹1,000, the fee would be ₹1, ₹2 for ₹2,000, and ₹10 for ₹10,000
	TRANSACTIONS ON MICRO ATMS IN JAN
	Andhra Bank 6,40,271
	IndusInd Bank 5,83,703
	IDFC Bank 46,444

The regulator pulled up the Indian Banks Association for unilaterally deciding to slash the interchange fee on micro ATMs to 0.1% from the earlier 1%.

Source-The Economic Times

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Date- 19<sup>th</sup> April 17

So the next time, you forget to carry your wallet along, worry not. But do remember to carry your mobile phone though!

## Digital payments may be in the news, but DigiLocker is no less of an achievement

The DigiLocker user base is small compared to a BHIM, but as more organisations are brought on board DigiLocker, the usage will rise rapidly.

The first official document that was available was the Aadhaar card and, of the 166 crore official documents that are linked to Aadhaar so far—a mere 75 lakh of these have been issued into a DigiLocker.

If the government extends the service, for a fee perhaps, to insurance companies or banks which can issue policies or fixed deposit receipts, the user base will shoot up.

Source-The Financial Express

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## Digital wallet for investment in MFs

In a bid to ease the investment process, especially for the young generation, markets regulator SEBI is looking to allow investors to buy mutual funds worth up to 50,000 through digital wallets.

The move would help in speedy and easy transactions, while reducing failures due to payment gateway issues. Besides, SEBI is expected to put in place regulations for instant withdrawal facility in liquid mutual funds. Also, asset management companies can tie-up with payments banks to provide digital transactions to investors.

Source-Business Line

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## How penetration of BHIM App is growing in rural India

The Brickworks Media research reported that BHIM is growing in urban areas along with rural areas simultaneously. It was launched in December and within 4-5 months, the app has reached its penetration in rural areas at around 36%, which is a sign that people are getting aware of the application.

BHIM app with its advanced version 1.3 has come up with many safety and security features. The updated version is faster and has also become a reliable means of doing cashless transactions.

Source-The Financial Express

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## SoftBank may invest \$1.5 billion in Paytm

A \$1.5 billion fundraising from SoftBank will increase Paytm's valuation to \$7-9 billion and will make the Japanese firm one of the largest shareholders alongside Alibaba

Getting SoftBank on board as a large shareholder will help Paytm reduce the control of Alibaba and pre-empt possible govt concerns about a Chinese firm having a strong hold on Paytm.

Source-Mint

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## Voyager Nomura Fintech Partnership to build solutions for capital markets and investment banking

Nomura has launched the 'Voyager Nomura Fintech Partnership', a global accelerator cum co-creation platform to collaborate with startups all over the world to build products and solutions specifically for capital markets and investment banking (CMIB) which can be deployed across Nomura and the financial industry.

Nomura's programme will look at startups that can leverage technologies such as artificial intelligence, machine learning, anomaly detection, pattern recognition etc. to develop innovative solutions for CMIB.

Source-Tech

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

## Now Khadi commission goes digital

KVIC (Khadi and Village Industries Commission) has gone digital with most of their initiatives being processed online. KVIC have also introduced online submission of application by the prospective beneficiaries and the payment of margin money subsidy is directly made into the beneficiary account through direct benefit transfer.

The KVIC had also digitalized the entire payment process of Market Promotion and Development Assistance (MPDA) for supporting implementation of Khadi programme.

Source-The Economic Times

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## Flock messaging apps makes communication seamless, brings team together

Flock is a tool, a real-time messaging and collaboration app for teams that speeds up and simplifies communication and boosts productivity. It is packed with powerful features and a slick, easy-to-use interface.

Flock takes all your most used apps and services at work, and allows you to integrate them into a single platform to make you more efficient with your organisational tasks.

Source-The Financial Express

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## Govt offices in Odisha to switch to digital payments

Government offices in Odisha are preparing for a shift to digital payments. The state government has kicked off the process for procurement and installation of Point of Sale (PoS) devices like mobile PoS and Aadhaar based payments.

Apart from government offices, state-controlled PSUs and societies would also be enabled for receiving digital payments. The switch to the digital payment mode is expected to be fully ready by the end of this financial year.

Source-Business Standard

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## Note ban will have positive impact in long term: World Bank

The World Bank has said that temporary setbacks notwithstanding, note ban will have a positive development impact in the long term as it accelerates financial deepening, foster financial inclusion and increase transparency.

India's velocity of money -- how many times the same rupee is used to buy goods and services over one year -- was stable at about 2.2 before demonetisation but has since then jumped to nearly 4 and by March 2017 it was still above 3.

Source-Hindustan Times

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## Global majors make a play for India's digital payments market

Digital transactions in India have surged after the government's recent demonetisation drive and the focus on making the economy cash-less.

Instant messaging app WhatsApp, owned by Facebook Inc, is considering making an entrance in the digital payment services market in India. India is WhatsApp's biggest market, home to 200 million of its billion plus global users.

Swedish communications app Truecaller, which has a large user base in India, started a mobile payment service in the country based on the UPI platform.

Samsung Electronics has launched a mobile payment service that enables consumers to pay for products and services by simply waving their Samsung smart phone near a cash register.

Online marketplace Amazon India has secured a license to operate pre-paid payment instrument (PPI) or mobile wallet in the country.

The digital payment landscape in India is clearly headed for a massive transformation.

Source-Fintech Innovation

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