



## NEWS HIGHLIGHTS

**MobiKwik partners with DT One for global mobile recharge services**

**Razorpay lands \$75M funding led by Ribbit Capital**

**Facebook set to unveil new crypto-currency**

**Bounce raises \$72 million from B Capital, Falcon Edge, others**

## Today's View

### Emergence of Nimble Regulatory Compliance

Financial institutions globally are responsible for the safe keeping of public and private money. Generally, it is considered that increased risk taking can generate incremental profits. Regulatory institutions world over are mindful of this behaviour and are articulating rules and regulations in an attempt to stay ahead of the curve.

**Bain & Co** estimates that Governance Risk and Compliance (GRC) spend accounts for 15-20% of 'run the bank cost', and 40% of 'change the bank costs'. Similarly, research published by **The Trade** indicates that banks have spent over \$100 billion on regulatory compliance in 2016 alone and this cost is rising. **Duff & Phelps** estimates that regulatory costs will rise from 4% to 10% of revenue by 2021.

The complexity, and volumes, of regulation make it necessary to apply technology, more specifically known as Regulatory technology or Regtech. Now, there are range of companies offering these kinds of services. Some offer solutions for banks to help them comply, while others are aimed at helping policymakers monitor those they are regulating.

London based **Clausematch** has developed compliance-based collaboration software for large banks and companies so that their policies and standards are more efficiently managed and easily accessible. This increases the overall productivity of the organisation for Compliance and Risk management.

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### Investors make a beeline for B2B Fintech start-ups

Financial technology start-ups catering to the requirements of enterprises are increasingly grabbing investor attention. Multiple companies have managed to snap large-sized investments in the business-to-business financial services space over the last two years and few are looking to raise fresh rounds in the current financial year.



Source – The Economic Times

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Date – 18<sup>th</sup> Jun 19

Another firm **Suade** helps banks with constantly changing regulations. It leverages the Financial Regulatory (FIRE) Data specification bundled with its concept of 'Regulation-as-a-Service' concept. It allows financial institutions to process large volumes of granular data and output the required regulatory data, calculations, risks and reports with the necessary controls and governance.

Similarly, **Cappitech** offers customised reporting solutions for firms looking to be compliant with the regulations like MiFID II, EMIR, ASIC, Best Execution and other compliance obligations. Through their proprietary solution **Cappivate**, brokers, banks, asset managers and corporates report millions of trades a day to comply with these regulations as well as use this trading data to gain visibility into their organizations and make informed business decisions.

Regulators world over are pitching for higher degree of compliance. With the increasing cost of compliance through paper and man hours, institutions are turning over to Regtech companies for innovative solutions.

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## Today's News

### MobiKwik partners with DT One for global mobile recharge services

Fintech platform MobiKwik announced a partnership with DT One, a global B2B network for mobile recharge, rewards and airtime credit services. As per this agreement with DT One, MobiKwik will offer mobile recharge in 150+ countries across more than 550 mobile operators, according to a release. The announcement signals MobiKwik's foray into international markets.

The "International Recharge" service on MobiKwik app is currently live across 150+ countries in the Middle East, Asia Pacific, Europe, Africa, United States, Latin America and Caribbean enabling users to seamlessly recharge a mobile number across DT One's global network of over 550 operators. For DT One, this is the first time that mobile recharge will be originated out of India via their network, rather than to India, the release added.

Source – *The Economic Times*

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### Razorpay lands \$75M funding led by Ribbit Capital

Razorpay has raised \$75 million (about Rs 525 crore) in its latest round of equity financing, led by financial technology-focused investment firm Ribbit Capital, which will see the Bengaluru-based business-to-business (B2B) payment solutions company double down on its new business lines.

Marquee venture capital firm Sequoia Capital has also entered the five-year-old company's cap table, with existing investors Tiger Global Management and Y Combinator's Continuity Fund also participating in the Series-C funding round, according to Harshil Mathur, chief executive of Razorpay.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of G Balakrishna and Prithwiji Ghosh

### Bounce raises \$72 million from B Capital, Falcon Edge, others

Scooter rental start-up, Bounce has raised \$72 million in fresh funding led by Singapore-based B Capital Group and New York-based hedge fund Falcon Edge Capital, valuing the company at little over \$200 million. The investment will fund the start-up's expansion out of Bengaluru into ten new cities over the coming months.

The Series C investment, which brings the total equity raised by Bounce to \$92 million so far, also saw the participation from existing investors Accel Partners India, Chiratae Ventures, Omidyar Network, Sequoia Capital and Qualcomm Ventures. Accel Partners US and Mavericks Ventures also joined Bounce's investor list in the round.

Source – *The Economic Times*

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### Facebook set to unveil new crypto-currency

Facebook is set to unveil a bid to bring crypto-currency payments into the mainstream, reportedly with the endorsement of governments and financial giants. The world's biggest social network is expected to outline details of a virtual currency launching next year that it hopes will avoid the rollercoaster volatility of "blockchain" technologies such as bit-coin.

Facebook is setting up a consortium called "Libra" which, according to the Wall Street Journal, has been joined by more than a dozen companies including Visa, Mastercard, PayPal and Uber.

Source – *The Economic Times*

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## India asks WhatsApp to fingerprint messages to ensure traceability

India has asked WhatsApp to digitally fingerprint every message sent on its platform without breaking its encryption, according to two senior government officials, as it seeks to ensure traceability of all content shared on the Facebook-owned messaging application.

WhatsApp should be able to identify where a message originated and how many people have read and forwarded it without having to read the message, the officials said. The government has been insistent in its demand for traceability of WhatsApp messages after misinformation and rumours around child kidnappings on the platform led to a spate of lynching's across India in 2018.

Source – *The Economic Times*

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## Tackled Uber's entry with guerrilla-like plan: Ola

India's biggest ride-hailing firm Ola countered American giant Uber's "carpet bombing" entry into the country with guerrilla warfare by going into nooks and corners to gain a significant market share, its founder and CEO Bhavish Aggarwal said. Speaking at the IIT Bay Area Alumni meet in California, a transcript of which was made available by the company, Aggarwal said Uber was clearly ahead of Ola in terms of fund infusion but it never was able to gain a dominant market share.

Aggarwal claimed when the "competition was at its peak, Uber was outspending us almost 5:1 to the dollar". "Yet, we held on to our market share and even today we have 2:1 market share against our competition. They had to really out spend but were never really able to gain dominant market share in India," he added. He likened the company's strategy to guerrillas stating they will "fight the nooks and corners" and win in the long term.

Source – *Mint*

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## Amazon to work with artisan cooperatives, back sellers of traditional art

As part of its plans to increase its seller base in the country, Amazon will be focusing on increasing its presence across artisan cooperatives, while increasing the number of sellers dealing in traditional art. Currently, it has around 2,100 sellers through which, the global e-commerce giant estimates, around 750,000 weavers and artisans in India are positively impacted.

While it has already partnered 15 governments and cooperatives like Tantuja, One District One Product Uttar Pradesh (UP), UP Handloom, Khadi Craft, Loom World and others, which complement its range of traditional art and clothing on the Amazon platform, it is also on the lookout for more such partnerships.

Source – *Business Standard*

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## Oyo arm to add 50,000 rooms in China

Oyo Jiudian, the Chinese subsidiary of Oyo Hotels & Homes, will add another 50,000 rooms to its inventory this month which will touch the half-a-million room's mark in China, and a substantial part of its inventory will be listed on China's biggest OTA Ctrip by the end of this month, Maninder Gulati, global chief strategy officer at Oyo Hotels & Homes, said. Oyo had announced that it had entered into a strategic partnership with Ctrip.

"We would be touching the half-a-million mark in China by this month. We are already present in 320 cities in China and have 450,000 rooms, which covers a large amount of breadth. Ctrip is the most influential distributor in China. We are still figuring out all the technical integrations. Sometime this month, a substantial portion would start to feature in (on Ctrip)".

Source – *The Economic Times*

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## Ex-Myntra CEO, entrepreneurs invest in scooter rental startup Vogo

Scooter rental startup Vogo has raised Rs 7.9 crore in funding from a group of HNIs including former Myntra CEO Ananth Narayanan, entrepreneurs K Ganesh and Srinu Anumolu, and SVG Media founder Manish Vij. "We are excited to welcome Ananth, Srinu, Ganesh and Manish to the VOGO family. They are seasoned entrepreneurs with a strong track record of creating large, valuable companies," said Anand Ayyadurai, co-founder and CEO of Vogo.

Source – *The Economic Times*

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