



NEWS HIGHLIGHTS

ICICI Bank breaks the ground, uses space images for farm loans to cut costs

Digital transactions recover in May after initial COVID-induced fall

Umbrella entities for digital payments are on their way

Digital payment platforms enabling merchants to fight COVID-19

Today's View

The pandemic & cybersecurity

There is no doubt that the COVID-19 pandemic has caused an outbreak of new and unanticipated business moments. As digital spreads its roots deeper, it also increases the risk and impact of cyberattacks. The **World Economic Forum's COVID-19 Risks Outlook** reported that 50% of enterprises were concerned about increased cyberattacks due to a shift in work patterns alone.

A TCS report states that, cybercriminals are using the heightened digital footprint and traffic to track vulnerabilities, or to siphon off money. They are launching Covid-19-themed attacks in the form of phishing emails with malicious attachments that drop malware to disrupt systems or steal data and credentials.


Attackers are creating temporary websites or taking over vulnerable ones to host malicious code. They lure people to these sites and then drop malicious code on their digital devices. Fake websites have also been soliciting donations for daily wage earners through email links. Some Covid-19 patient count-status apps and links are laden with viruses and identity theft malware. Remote working tools such as videoconferencing systems have been hacked for vulnerabilities; recent examples on Zoom are alarming.

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Facial recognition, Iris scans may be used for welfare scheme payouts

Facial recognition and iris scans could soon be used for Aadhaar authentication of beneficiaries using Jan Dhan bank accounts to access government Direct Benefit Transfer (DBT) payouts and domestic transfers.

INITIATIVES	
<ul style="list-style-type: none"> <li>- NPCI working on facial recognition pilot for non-financial ACPs transactions</li> <li>- ICICI Bank, Yes Bank, RBL &amp; Fino Payments Bank participating</li> </ul>	<ul style="list-style-type: none"> <li>- Full-scale rollout for fin transactions if results satisfactory</li> <li>- UIDAI has asked intermediaries to increase Iris scanner deployments</li> </ul>
BENEFITS	
<ul style="list-style-type: none"> <li>- Contactless transactions will help maintain hygiene norms in times of Covid</li> </ul>	<ul style="list-style-type: none"> <li>- Would likely reduce transaction failure rates</li> </ul>
CHALLENGES	
<ul style="list-style-type: none"> <li>- Iris scanning devices are expensive</li> <li>- Privacy concerns</li> <li>- Cultural inhibitions may prevent adoption</li> </ul>	

Source- The Economic Times

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26<sup>th</sup> August, 2020

In such a scenario, the first step in the right direction for Organisations would be to advise their staff and customers to be more vigilant and cautious especially when opening links, emails or documents related to the subject COVID-19.

Next, organizations should ensure their detection and alerting capabilities are functional while keeping an eye on the impact of having many remote workers. There are some interesting solutions available in the market. For eg. **KnowBe4** delivers on-demand internet security awareness training to small and mid-sized enterprises focussing on threats like social engineering, spear-phishing and ransomware.

**Cofense** provides organizations with the ability to improve their employees' resilience towards spear phishing, malware and drive-by attacks and further facilitate employee-sourced detection of such attacks.

In India, cybersecurity start-ups like **Cloudsek** offers real-time information to prevent and monitor cyber threats through its SaaS platform. Another start-up **Cyware's** cyber fusion solutions empowers organisations to foster information sharing with their employees mitigating cybersecurity risks.

The pandemic presents an opportunity for full-blown innovation, a dramatic shift in perspective and the adoption of safe and resilient operating processes. The intensity and emphasis an organisation brings to its cybersecurity strategy will determine its long term growth.

## Today's News

### ICICI Bank breaks the ground, uses space images for farm loans to cut costs

ICICI Bank Ltd has begun using satellite images of farmland to help assess farmers' credit-worthiness, a move the bank says is helping cut travel costs and make faster lending decisions in a world hit by the COVID-19 pandemic.

The lender, India's fourth largest by assets, is using pictures taken from space and analysed by a third-party firm, for farm loans in 500 northern Indian villages, with plans to take the technology to 63,000 villages, it said on Tuesday.

Source – *The Economic Times*

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### Digital transactions recover in May after initial COVID-induced fall

COVID-19 has caused the cumulative value of digital transactions between January and May 2020 to fall by 25 percent year-on-year (YoY). During the same five months last year, transactions had jumped 20 percent YoY, the Reserve Bank of India (RBI) said in its Annual Report for 2019-20.

It cited the COVID-induced economic slowdown as one reason for the fall. At the same time, the rate of increase of currency with the public has been accelerating. While the first few months showed a drastic fall in digital payments, May showed some recovery, said the central bank.

Source – *Money Control*

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### Bank frauds jump 159% in 2019-20; PSBs account for Rs 1.48 lakh crore

The total cases of frauds (involving Rs1 lakh and above) reported by banks and financial institutions (FIs) shot up by 28 per cent by volume and 159 per cent by value during 2019-20 despite the Reserve Bank of India (RBI) tightening the supervision and vigilance.

While there were 6,799 frauds involving Rs 71,543 crore as of March 2019, the number of frauds jumped to 8,707 involving a whopping Rs 1,85,644 crore, says the RBI's Annual Report.

Source – *The Indian Express*

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### Mass transit payment startups gain steam as India unlocks

As India gradually resumes public transport services, fintech startups, such as CityCash and Chalo, are focusing on mass transit payment products. While covid-19 forced consumers to buy everything from groceries, electronics to clothing online; for mass transit or public transport systems, such as buses, trains and metro rail, cash remained the primary medium of payment.

Payment startups are in talks with state-owned bus corporations and waterways for mass adoption of near-field communication, or NFC-enabled, 'open loop' prepaid cards for transit ticketing.

Source – *Live Mint*

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## Umbrella entities for digital payments are on their way

Last week, following on from a policy paper that it had issued in January 2019, the Reserve Bank of India (RBI) released a document setting out the framework it plans to adopt to authorize the establishment of new umbrella entities (NUEs) for retail payments. Once in place, these newly authorized entities will be able to operate their own clearing and settlement systems; establish new standards and technologies; and develop innovative new payment systems that enhance customer access, convenience and safety.

All NUEs will have to be interoperable with the National Payments Corporation of India (NPCI)—the umbrella entity that currently manages the entirety of retail payments in India—but, somewhat surprisingly, would also be allowed to set themselves up as for-profit entities, and they will themselves be able to participate in RBI's payment and settlement systems. I had studied the policy paper when it was issued last year and remember being surprised that RBI was going down this path.

Source – Live Mint

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## Digital payment platforms enabling merchants to fight COVID-19

The unexpected global coronavirus outbreak has severely disrupted the Indian economy. The World Bank estimated the country's economy to slow down to 5% in 2020 due to COVID-19 and projected a sharp growth deceleration in fiscal 2021 to 1.8 % in a standard scenario. The pandemic came at a time when India's economy was already losing its pace due to tenacious financial sector weaknesses. To control the spreading of the virus, a nationwide lockdown was imposed, which created a paradigm shift in the way businesses operate and the behavior of the consumers.

As working remotely from home has become the new norm amid the virus scare, people are now being extra cautious and stepping outside only to buy essentials to avoid getting infected in crowded places like supermarkets and grocery stores. Moreover, there is a major transition from offline to online. From purchasing the daily essentials, groceries, and medicines through offline retail stores, consumers are now shifting to online aggregators.

Source – Express Computer

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## Govt, RBI need to share cost of maintaining UPI infrastructure: Report

BHIM-UPI is powered by the NPCI that engineered to make it a giant payment infrastructure of the country. NPCI has not put any business restrictions onto the banks for P2P payments using BHIM-UPI other than years of moral suasion to keep the charges zero. The government and the Reserve Bank of India need to share the cost with banks associated with maintaining UPI infrastructure as it reduces the demand for cash and helps in curtailing expenditure on printing and managing currency notes, according to a report prepared by IIT-Bombay.

Observing that about Rs 5,000 crore is spent annually on printing cash alone and even more on managing it, the report said, "The expenditure towards maintaining Unified Payment Interface (UPI) may be much lower and could even curtail the expenditure on cash." The report further said UPI as a digital payments platform increases efficiency towards tax compliance, and provides overall convenience for public good.

Source – Financial Express

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## 6-months EMI moratorium: As borrowing gets difficult, digital lending solutions come to the rescue

When it comes to meeting short-term funding options, in the absence of an emergency fund, one often finds oneself hard-pressed for funds. A possible solution left is to go for a personal loan, which is typically collateral-free in nature.

Personal loans should, however, be the last option if one is looking for funding options and that too after carefully looking at the cost, including the charges and interest rate.

Source – Financial Express

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## Fintech funding in APAC up 9.1 pc in Q2; India sees 38 pc dip

Investments in private financial technology (fintech) companies in Asia-Pacific grew 9.1 per cent to USD 1.4 billion in the second quarter of 2020 as compared to the first quarter, a report by S&P Global Market Intelligence said on Tuesday.

The "Q2 APAC Fintech Funding Report" said fintech investments in India declined 38 per cent to USD 339 million "as the government continued to scrutinise and clamp down on foreign investments". Funding in China also fell from USD 205 million to USD 41 million as the country saw fresh outbreaks of COVID-19 cases, it added.

Source – Outlook India

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