



NEWS HIGHLIGHTS

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RegTech

RegTech is the management of regulatory processes within the financial industry through technology. Regtech automates regulatory processes and ensures compliance with regulations. It uses technology to support the ongoing monitoring of regulations and facilitates necessary reporting. Regtech also creates transparency and consistency, as well as substantially increases the quality of risk management and compliance. Another advantage is greater security arising from the continuous monitoring of processes.

Banks and financial companies have to act in accordance with many regulatory requirements. The UK-based startup **REGnosys** offers a regulatory technology compliance platform, called **Rosetta**. It aims at facilitating the implementation of the Common Domain Model (CDM) for financial sector players with programmatically enforced compliance mechanisms. The solution saves costs and risks based on a specific rule-based operational lifecycle design.

Canadian startup **Mind Bridge** creates a financial data analytics platform for auditing, based on AI and machine learning. It leverages accounting data and incorporates domain expertise to detect mistakes and anomalies, spot potential risks and investigate specific cases with built-in natural language processing (NLP) search to help banks and financial institutions resolve issues encountered during regulatory compliance.

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How this fintech startup is providing India's blue-collar workers with access to credit

India has more than 300 million blue collar workers, and the number is growing as new graduates are added to the workforce every year and agricultural employment drops.



Source – Your Story

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18th March 2021

Singapore-based startup **Dathena** utilizes AI to arrange a suite of regulatory data safeguarding tools for the financial, healthcare, travel and retail industries. This suite allows enterprises to organize their data repositories, manage secure access to files, classify data by importance and confidentiality, automate data protection policies implementation and ensure data security.

Banks and financial organizations are obliged to cope with government norms and to regularly create and submit corresponding regulatory reports. Israeli startup **Capptech** provides a regulatory reporting platform, Capptivate, for FinTechs. The solution automates data transfer, as well as report creation and submission. Besides, it validates given information and reformats it in accordance with regulatory requirements, monitors the reporting status and provides feedback on past reports.

Chile-based startup **Ceptinel** has developed a real-time regulatory monitoring system for financial companies. As government laws, regulations and procedures tend to change over time, established companies and FinTechs alike need to stay aware of any pending requirements, modifications in norms, or new state guidelines related to their business. It applies machine learning and complex event processing algorithms to treat large amounts of data coming from various sources to ensure compliance with new regulatory requirements.

Regtech increases effectiveness, efficiency, security and transparency for all market participants, enabling them to focus on their core competence, safe in the knowledge that they are operating in accordance with the legal and regulatory requirements.

Today's News

Why digital payment is a public good

There has been a phenomenal growth in mobile-based digital payments. Unified Payments Interface (UPI), a retail digital-payments product of National Payments Corporation of India (NPCI), alone saw about 2,100 crore transactions during the past 12 months; a whopping increase of nearly 900 crore transactions, or a year-on-year growth of 75 per cent. On the contrary, the hitherto popular retail payment formats, based on platforms like ATM, micro-ATM, NEFT, IMPS, POS, RTGS and cheques, together accounted for about 1,500 crore transactions in the past 12 months.

A robust and secure payment infrastructure with continuous innovations is the key to push transaction volumes. The new umbrella entities (NUEs) envisioned by the RBI are expected to do just this. The scope of activities of the NUEs would be similar to that of NPCI, however with a distinct difference in intent — the potential of doing business 'for profit'. The rear-view mirror. Payment systems lay the tracks for easy movement of money. Though banks are primarily the front-end of the retail payment systems, let us look at the linkage of all banks through an exchange house (switch) that facilitates real time inter-bank movement of funds.

Source – *The Hindu Business Line*

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HDFC Bank leads peer lenders over mobile transactions despite tech glitches

Despite facing multiple technical glitches in the past two years, HDFC Bank continues to lead over ICICI Bank and Axis Bank on overall daily and absolute mobile transaction values amongst private banks, almost 1.5-2x times its competitors, data released by advisory and research firm Bernstein showed.

In spite of its scale SBIs Yono continued to lag on user usage with customers facing friction with user interface. The analysis showed that private lender Kotak Mahindra Bank had the highest transaction activity despite its low scale.

Source – *The Economic Times*

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Virtual banks take a hit as lenders take to digital biz

Pure-play virtual banks are getting squeezed as the pandemic-induced economic slide hits their nascent, digitally driven business models, said a report by S&P Global Ratings on Wednesday.

The ratings firms said it believes new entrants are under strain at a vulnerable moment as traditional players put in vast resources at digital services. According to the report, what was shaping up pre-covid-19 as a moment of glory for virtual banks is turning into an ordeal for some: the economic malaise has hit many lenders, but the less established institutions are often more vulnerable.

Source – *Live Mint*

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Ethical AI – Can India be the leader?

Can artificial intelligence (AI) be supervised to be responsible and ethical? Can this supervision lead to several high-paying jobs minding and training bots to be responsible and ethical? Is there a need for Responsible and Ethical AI? The answer is a resounding Yes and India has the talent, the market, and the capacity to take a leadership position in the world of Ethical AI.

AI is everywhere today. Serving you clickbait as you scroll through your Facebook feed and providing you suggestions as you type on Gmail. Spend on AI by businesses in India is expected to grow at a CAGR of 39 percent and reach \$11 billion by 2025. Given the expected high growth, it is also important to talk about Responsibility and Ethics in the application of AI. China is the world's leader when it comes to research on AI as well as the application of AI for business automation. One such application is in collections on the massive \$200 billion debt pile in the country's peer-to-peer lending industry.

Source – CNBC TV18

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Fintech Blend to strengthen digital homebuying services via acquisition

Digital lending software provider Blend has agreed to acquire Title365, a title insurance and settlement services provider, from home loan servicer Mr Cooper Group for approximately USD 422 million. The purchase price reflects a total enterprise value of approximately USD 500 million, minus adjustments of about USD 31 million.

Following the acquisition, NASDAQ Stock Exchange-listed Mr Cooper Group will retain a 9.9% ownership interest in Title365. The result of the acquisition will be an integrated homebuying service for customers, by combining Blend's technology platform, and Title365's operational expertise. Latham & Watkins acted as legal counsel to Blend on the transaction, with Greenberg Traurig and Washington, DC, financial services firm Weiner Brodsky Kider serving as regulatory counsel.

Source – ICLG

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This education fintech startup has disbursed Rs 800 Cr in 'study abroad' loans using a unique risk scoring model

Education may be priceless, but it does come at a cost. Especially in a developing country like India, where millions of students are unable to afford higher education. Sample this: India's gross enrollment ratio (GER) in colleges is only 25-27 percent, as per industry estimates. This means only one-fourth of those who finish school go on to get a college degree. It gets worse at the post-grad level. On the contrary, GERs of developed countries like the US, the UK, and China are at 50-70 percent. The biggest reason for this is the lack of finance at the students' end and/or limited access to external credit. GyanDhan works towards solving this very pain point.

The Delhi-based startup, which launched operations in 2016, was born after its founder Ankit Mehra witnessed the education financing problem from close quarters during his MBA degree at Spain's IESE Business School. "I was lucky enough to get a loan myself, but the bank IESE had tied up with was going back on its commitments to fund non-Europeans. And I saw a lot of students from India struggling to get a loan," he tells YourStory. Not just that, even those who managed to get the loan could cover only about one-fifth of the entire cost of the course.

Source – Your Story

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RevFin partners LoadExx to launch aggregation platform for cargo EVs

Digital lending platform RevFin has entered into a strategic partnership with on-demand logistics platform, LoadExx, to launch an aggregation platform exclusively for commercial cargo vehicles. The partnership plans to put 4,000 vehicles on the roads by March 2022, the companies said in a joint statement.

LoadExx now caters to 2,000 customers. With RevFin as its partner, the platform will be able to give its potential customers access to dependable finance options and the ability to buy and own their own cargo EVs, the company added.

Source – The Economic Times

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Indian startups see \$10 bn in VC funding in 2020

Despite the pandemic gloom and doom of the past year, it wasn't all bad news for Indian startups scouting for capital to ramp up their business.

The country witnessed total deal value in venture capital (VC) funding touching \$10 billion in 2020, the highest across all years barring 2019, finds the India Venture Capital Report 2021 by Bain & Company on Wednesday. In 2019, the total deal value recorded was \$11.1 billion.

Source – Fortune India

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