

NEWS HIGHLIGHTS

Stick to online payment norms, RBI tells etailers

Gaining interest: Bitcoin value surges in India

Rs 10-Lakh limit on P2P lending will hurt industry

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Y Combinator sees a surge in Indian startup applications

Today's View

Microinsurance: In Sachets

Microinsurance is making insurance available to the bottom-of-the-pyramid through advanced technologies. The concept is now gaining momentum in the developing world as a way to enable survivability and improve sustainability of households in the face of financial misfortune. As per research by LetsTalkPayments, the global microinsurance market is estimated to grow at a CAGR of 8.2% during the period 2016 – 2020.

Inevitably, Fintechs are leveraging innovative ways like peer-to-peer networks, social media and even blockchain to offer next-gen microinsurance products. One such Sweden-based Fintech **Milvik AB**, operating as **Bima Microinsurance**, has developed a platform making available insurance products for first generation insurance buyers through a plug and play technology integrated into the mobile operators' infrastructure.

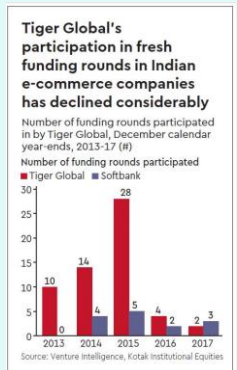
On the other hand, **Cignifi**, a mobile data analytics firm, is leveraging numerous mobile data variables, such as volume and duration of voice calls, mobile money transactions, and demographics to variably determine premium for customers. For example, a customer with limited mobile money transactions and making short calls to a limited number of people would be offered a microinsurance product with a low premium and limited coverage.

Some Fintechs are even employing a P2P insurance service to offer microinsurance products. For example, **Friendsurance**, a German Fintech, allows individuals to connect with people from their social network to purchase collective insurance, saving up to 40% on premiums relative to traditional insurance. One of the well-known VC firms, Sequoia Capital, also recently invested in **Lemonade**, a start-up focused on bringing P2P insurance to the masses.

INTERESTING NEWS

Funding for internet, e-commerce companies; Environment in revival mode

Funding environment for internet/e-commerce companies in India seems to be reviving after the lull in 2016. Boosted by a few large deals, PE/VC funding has reached \$6.7 bn in 2017 (till August), compared with \$2.3 bn in 2016 and \$5.4 bn in 2015.



Source- Financial Express

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Date- 09th Oct 17

In a first, Fintech **Stratumn**, in collaboration with payment service provider **LemonWay** and consulting firm **Deloitte**, has unveiled the first blockchain-based microinsurance proof-of-concept. It allows people to easily enrol for customized microinsurance plans simply by chatting via Facebook Messenger. On similar lines, Fintechs like **Oscar** are making healthcare insurance easily accessible to users in a matter of minutes via a mobile handset.

On the regulatory front, even Nepal has made it mandatory for both life and non-life insurance companies to launch microinsurance schemes. Similarly, Zimbabwe is now working on a framework to regulate and formalize operations of micro insurance firms targeting low income earners.

While Fintechs are doing their bit to expand the scope of microinsurance, fundamental barriers to insurance including continued lack of awareness and insufficient customer demand for formal insurance products can't be addressed by technology alone. However, with the ongoing digital revolution, players in the microinsurance space including Fintechs are at liberty to refine both products and delivery of microinsurance to protect the poor from severe financial risks.

Today's News

Stick to online payment norms, RBI tells e-tailers

The Reserve Bank of India has said that online marketplaces need to adhere to its 2009 guidelines on settlement of payments for electronic payment transactions involving intermediaries, a clarification that came after a vendors' body complained to the central bank alleging late payments by ecommerce companies.

The RBI also asked the All India Online Vendors Association, which had submitted its complaint in August, to raise specific cases of violations with it for evaluation.

Source- *The Economic Times*

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How blockchain technology is changing the security landscape in the banking sector

Blockchain, the technology that's used in the popular cryptocurrency 'Bitcoin', is revolutionary in many ways. It addresses multiple challenges associated with digital transactions, such as double spending and currency reproduction.

Employing blockchain also reduces the cost of online transactions while simultaneously increasing authenticity and security. The upshot is that the need for payment processors, custodians, and reconciliation bodies is eliminated.

Source- *The Economic Times*

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Blockchain business conference in Vizag from Monday

Experts from around the world will be attending the blockchain business conference, beginning in this Andhra Pradesh coastal city on Monday. Regional and international experts, startups, corporates, leading FSI executives, regulators, entrepreneurs, policy makers and academics will explore blockchain technologies, its applications and how it will impact the financial services industry.

The two-day event, being organised by Fintech Valley Vizag, will connect the government bodies, emerging startups and corporates working on blockchain technologies to create business and investment opportunities.

Source- *Business Standard*

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Y Combinator sees a surge in Indian startup applications

Silicon Valley-based Y Combinator, the accelerator behind some of the most-valued startups such as hospitality service Airbnb and payment processing company Stripe, is seeing the most applications from Indian startups after the US in its upcoming batches and expects the trend to continue.

In its two batches in 2017, the accelerator has already seen the entry of 18 Indian startups, more than the aggregate of 12 between 2011 and 2016.

Source- *The Economic Times*

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Gaining interest: Bitcoin value surges in India

This year has proved to be a landmark for bitcoin, the most popular crypto currency.

The value of one bitcoin has increased from \$968 in January to \$4,370 now, giving over four-fold returns. The value of a bitcoin traded on Indian exchanges has also jumped similarly — from 68,000 to 2,95,000 this calendar. Rising prices are attracting investors and traders by the droves in India.

Source- Business Line

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Rs 10-Lakh limit on P2P lending will hurt industry: Founders

The regulation of the peer-to-peer lending business may have provided a sense of validity to the nascent lending industry, but caveats introduced by the central bank in the operational guidelines may severely cripple its growth prospects, said P2P founders.

Sanjay Darb ha, founder of Peerlend, a Hyderabad-based P2P startup said that the Rs 10-lakh limit for both borrowers and lenders is a major detriment to the sector as a whole, it is too low and should be revised upwards.

Source- The Economic Times

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Aadhaar made mandatory for small saving schemes

The Finance Ministry has made Aadhaar mandatory for small saving schemes including post office deposits and Public Provident Fund.

“Provided that where Aadhaar number has not been assigned, the depositor shall submit proof of application of enrolment for Aadhaar,” said the Ministry in four separate notifications for Kisan Vikas Patra, National Savings Certificate, PPF and post office deposits. According to the provision, all depositors have been given time till December 31, 2017 to provide the 12-digit unique identification number and link it with their accounts.

Source- Business Line

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India may face pressure to open up ecommerce

India is expected to face pressure to begin talks to open up cross-border digital trade and also ease investment norms in a crucial two-day meeting of trade ministers of key countries in Marrakech beginning Monday.

Trade ministers of many developed and developing countries, including India, are meeting on October 9-10 for a mini-ministerial of the World Trade Organisation (WTO) ahead of the ministerial conference in Argentina later in the year.

Source- The Economic Times

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Amazon files patent for deploying exclusive drones in India

As part of its efforts to use drones to handle some of its operations, online marketplace giant Amazon Inc has filed a patent application in India for exclusive rights on multi-scale fiducials, black and white marks on any object for the self-operating aerial vehicles to identify them from different distances.

The proposed drones can also be used to identify other such objects, along with aircraft, plying within Indian skies, said the company.

Source- Business Standard

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How startup Myforexeye is catering to the foreign exchange needs of SMEs, individuals

Myforexeye started out as an intermediary between entities in need of forex and banks—the company calls it Transaction Process Outsourcing (TPO). TPO enabled SMEs to mandate Myforexeye to cover their forex transactions with their banks.

From intermediating between banks and SME clients for FX rate negotiations the company has expanded its services to include price discovery, trade finance, customised risk management advisory and FFMC (full-fledged money changer) services for retail clients.

Source- The Economic Times

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