FINTALK
Bank of Baroda

Today's View

Micro-services

In the current dynamic universe, companies are finding ad-hoc approach of running continuous upgrades to large monolithic platforms increasingly tedious and inefficient. Progressive organizations can no longer count on the rigid systems that require weeks of rework to support a new business process. Enter Micro-services! It is a way of breaking large software projects into loosely coupled modules, which communicate with each other through simple APIs.

In recent years, adoption of micro-services architecture is becoming a proven success strategy in the software development industry. According to the report by **Red Hat**, organizations are using micro-services to re-architect their existing applications; as much as the technology being used for brand new applications.

Micro-services offer numerous benefits for application architects and development teams. These include flexibility around implementation technology, scalability and cloud readiness. These benefits align well with the growing demand of a new system that can adapt to the demands of digital business in highly competitive ecosystems. For instance, early adopters like Airbnb, Disney, Dropbox, GE, **Goldman Sachs** and **Twitter** have seen development lead times cut by as much as 75 percent, thanks to the adoption of micro-services.

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Study, work from home may light up festive online sales

Brands selling smartphones, appliances and electronic accessories are among those gearing up for a strong spike in online sales during the upcoming festive season.

ECOMMERCE GEARS UP FOR FESTIVE SALES

Source– The Economic Times

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This trend is increasingly being adopted by Bigtechs as well. For example, **Microsoft** has opened up its **Service Fabric** platform which is a distributed systems platform to package, deploy and manage scalable and reliable micro-services. Similarly, **IBM, Google** and **Lyft** have teamed up to form **Istio**, an open technology that provides a way for developers to connect, manage and secure networks of different micro-services, regardless of platform, source or vendor. Apart from this, California based **Nginx** which supports the operation of around 450 million global websites including those of **Netflix, Instagram** and **Pinterest**, has set up shop in Australia to support companies embracing micro-services.

Recognizing the need to deliver value to customers faster, many banks are seizing the opportunity to implement micro-services architecture. By implementing such innovative architecture, **Ubank** created Australia's first home loan application chatbot, innovating and improving customer experience. Similarly, UK based digital bank **Monzo** is also using cloud and micro-services architecture to develop back end structure.

Micro-services can deliver better agility and scalability advantages than any other archetype. Several vendors are developing frameworks and platforms that simplify adoption of the micro-services architecture. However, we believe it will take some time for micro-services to evolve into complete and robust mainstream platform.

Today's News

55-75pc of loans will be booked digitally by 2025: fintech expert

Digital onboarding for loans will increase to 55-75 per cent of the total credit disbursement in the next five years from about 20 per cent now, a financial technology expert has said.

Between 2015 and 2020, around 20 per cent of credit disbursements were technology-driven and were extremely successful in retail and small business loans, said Akhil Handa, head fintech, partnerships & mobile banking and digital lending department, Bank of Baroda.

Source – Outlook India   READ MORE

Paytm Payments Bank seeks in-principle nod on small bank licence

Paytm Payments Bank has written to the Reserve Bank of India, seeking an in-principle approval for becoming a small finance bank (SFB) that will enable it to extend loans. The bank has said that the approval will help the lender prepare the groundwork so that it would not have to spend time when it completes the five-year waiting period in a couple of years.

Speaking to TOI, Paytm Payments Bank CEO Satish Kumar Gupta said that his organisation is the only profitable payments bank and has been in operations since May 2017. "One of the conditions for granting licence as a payments bank was that we have five years experience in the payments space. I have written to the RBI, asking for an in-principle approval so that we will be prepared to apply for the final licence when we are eligible," Gupta said.

Source – The Economic Times   READ MORE

How FinTech players are changing the way credit is perceived in India

The perception about credit has mostly been a negative one in the Indian mindset for a significant period. There was a time when Indian families were averse to making purchases through EMIs. Instead, they would carefully save resources and plan their next commodity purchases like TVs, refrigerators, or other home appliances.

The stigma attached to credit in the decades preceding the economic liberalisation of India was manifest in a behaviour of deferring purchases and cultivating a habit of long-term savings.

Source – Your Story

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IRDAI to permit video-based KYC system for insurance companies

After the banking regulator, now the Insurance Regulatory Development Authority of India (IRDAI) is set to open the gates for video-based verification of customers looking to buy insurance products.

The IRDAI said in a letter to insurance companies that they may use video-based identification process to simplify the Know-Your-Customer (KYC) requirements. Moneycontrol has seen a copy of the letter. This comes a few months after the Reserve Bank of India (RBI), through a notification, gave the nod for video KYC to simplify bank account opening.

Source – Money Control

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PhonePe Makes Digitization Push For 25 Million Merchants Across India, Including Kirana Stores

India's leading digital payments platform PhonePe has said that they are in the process of enabling digitization for as many as 25 million small merchants across India. This will allow these merchants including Kirana Stores, access to the PhonePe for Business app, giving them the ability to use the completely digital payments process with vendors and customers.

PhonePe confirms that they plan to complete this roll-out within a year, and believe this digitization push across more than 5500 talukas across India will help create more than 10000 jobs. This comes as the government of India continues to push for digital payments to reduce the reliance on cash for payments, and also is pushing forward with the digitization plans across the country.

Source – News 18

How the new umbrella entity for retail payments has split the industry

The Reserve Bank of India (RBI) has run multiple experiments around the digital payments space, including licensing exclusive payment banks, setting up white-label ATMs, and even creating a separate retail payments body, the National Payments Corporation of India. While a few initiatives have succeeded, some never took off.

Now, the banking regulator wants to overhaul the entire retail payments network by creating multiple NPCI-like bodies. Will it end up creating competitors or will the new players manage to break into fresh territory? To get a sense of how things may play out, Moneycontrol spoke with a scrum of top payment industry leaders. While a few said this could be game changing, others struck a more pessimistic note. "A step long awaited," said AP Hota, who was the first chief executive of NPCI and is now a consultant with SWIFT India. He created the country's first retail payments network, leading it from 2009 to 2017.

Source – Money Control

AskSarkar: how this Made in India app by Bengaluru-based CoRover is disrupting the AI chatbot segment in India

Numerous Indian startups and entrepreneurs are working on innovative solutions to help the country become Aatmarnirbhar Bharat. Bengaluru-based conversational artificial intelligence (AI) startup CoRover, with its Made in India AI assistant and chatbot AskSarkar app, is one of them. One of the 24 winners of the government's Aatmanirbhar Bharat App Innovation Challenge, CoRover's AskSarkar app received special mention in Prime Minister Narendra Modi's Mann ki Baat broadcast to the nation on Sunday, during which PM Modi recognised the disruptive innovations taking place in India.

What does AskSarkar do? AskSarkar - Pakki Jankari was launched by startup CoRover in October 2019 to solve issues related to mismatched and unverified information provided during online searches for content available on central government websites such as government services, GST, tax, startup funding among others. CoRover itself was founded in 2016 by Ankush Sabharwal along with Rahul Ranjan, Manav Gandotra, and Kunal Bhakhri. The startup provides a conversational AI platform that offers managed Chatbot-as-a-Service to help businesses improve customer experience, operational efficiency, generate revenue, and save costs.

Source – Your Story

As fintech upends banking, Japan regulator expects more cross-boundary tie-ups

Japan will likely see more financial tie-ups that extend beyond traditional boundaries similar to those signed between internet banking giant SBI Holdings Inc and regional banks, the country's senior financial regulator said.

Advances in financial technology could trigger structural changes in Japan's banking industry by breaking barriers between lending and other services, said Teruhisa Kurita, who oversees bank supervision at the Financial Services Agency (FSA).

Source – The Economic Times

CBDT asks banks to refund any fees levied on UPI transactions in 2020

The Central Board of Direct Taxes (CBDT) asked banks to return to customers and merchants any fees levied for making Unified Payment Interface (UPI) transactions in 2020, adding that such charges violate the law. The lenders were asked to stop all such impositions or face "penal actions" in a circular issued on Sunday.

"Banks are… advised to immediately refund the charges collected, if any, on or after January 1, 2020, on transactions carried out using the electronic modes… and not to impose charges on any future transactions carried through the said prescribed modes," it said.

Source – The Economic Times

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