



# Weekly News Update

Week ending 6/30/17

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## Financial Advisors and Wealth Managers Increasingly Investing in Alternative Credit

<http://www.theaic.co.uk/aic/news/press-releases/investment-company-purchases-hit-record-level-over-past-12-months>

20/6/17

Latest research from the Association of Investment Companies (AIC) using Matrix Financial Clarity has revealed purchases of investment companies by advisers and wealth managers on adviser platforms hit a record level over the 12 months to end of March 2017 at £777m. This is 11% higher than in the year to December 2015 (£698m), which was the previous record for a 12-month period.

In Q1 2017 adviser and wealth manager purchases reached £246m, the second highest quarterly figure on record. This is 85% higher than the same quarter last year (£133m) and an increase of 25% on Q4 2016 (£196m). The figure for Q1 2017 fell just 10% below the highest ever level of purchases in Q2 2015 (£273.9m), which was boosted by the launch of Woodford Patient Capital Trust.

For the first time, Sector Specialist: Debt was the most popular investment company sector, accounting for 14% of all purchases in Q1 2017. Property Direct – UK, the top sector for the past two quarters, was the second most popular sector with 13% of purchases.

## Mitek Names SaaS Veteran Jeff Davison as Chief Financial Officer

<https://www.miteksystems.com/press-releases/mitek-names-saas-veteran-jeff-davison-chief-financial-officer>

21/6/17

Mitek, a global leader in mobile capture and identity verification software solutions, today announced that Jeff Davison has joined the company as Chief Financial Officer, effective June 21, 2017.

“Jeff brings a wealth of financial, operational and public company experience, and extensive SaaS expertise that will be a tremendous asset to our leadership team as Mitek continues to evolve into a leading SaaS ID verification provider,” said James DeBello, Chairman and CEO, Mitek.

“The Board of Directors and I are delighted to welcome Jeff and look forward to his contribution as we move forward with our aggressive growth plan. Delivering over 50 percent growth in our ID business in the second quarter, Mitek continues to gain momentum with our industry leading mobile ID verification offering, which squarely addresses the over \$10 billion and growing identity and access management market.”

Mr. Davison has more than 25 years of experience in the financial operations and management of technology companies, including serving as CFO at RightNow Technologies, a successful SaaS CRM company. During his 12-year tenure at RightNow, he played a key role in taking RightNow from a privately held company through a successful IPO and ultimately its \$1.8 billion acquisition by Oracle.

He was instrumental in executing RightNow’s acquisition activities, completing four acquisitions, and served as VP Sales Operations and VP Finance and Operations. Mr. Davison also previously served as an SVP at NetSuite, CFO of Outbrain, and in senior finance and sales positions at other leading tech companies.

“This is an exciting time for Mitek as the company continues to emerge into a global leader in SaaS identity verification,” said Davison. “I am thrilled to join the talented leadership team as they continue to grow the business and further expand their presence in this large and growing industry, and I look forward to driving increased shareholder value.”

Mr. Davison will replace Russ Clark, who is leaving the company to pursue other opportunities. “On behalf of the Board, I would like to thank Russ for his extraordinary contributions to Mitek over the last five-plus years, and we wish him the best in his future endeavors,” added DeBello.

### About Mitek

Mitek (NASDAQ: MITK) is a global leader in mobile capture and identity verification software solutions. Mitek’s ID document verification allows an enterprise to verify a user’s identity during a mobile transaction, enabling financial institutions, payments companies and other businesses operating in highly

regulated markets to transact business safely while increasing revenue from the mobile channel. Mitek also reduces the friction in the mobile users' experience with advanced data prefill. These innovative mobile solutions are embedded into the apps of more than 5,600 organizations and used by tens of millions of consumers for mobile check deposit, new account opening, insurance quoting, and more.

## A Record FCRA Verdict Entered Against TransUnion

<http://www.lexology.com/library/detail.aspx?g=f7e56e0a-0256-4bd6-beb2-0127eb69e693>

22/6/17

On June 20, a federal jury sitting in the Northern District of California Ramirez v. TransUnion LLC case awarded a class of 8,185 consumers the largest to date Fair Credit Reporting Act (FCRA) verdict, consisting of \$8 million in statutory damages and \$52 million in punitive damages.

The lawsuit was based on TransUnion's alleged failure to keep credit reports of ordinary consumers from being linked with similarly-named individuals listed on the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) watch list. The watch list is a part of OFAC's enforcement effort and contains names of individuals and organizations linked to drug trafficking, terrorism and other criminal activities. The named plaintiff, Sergio L. Ramirez, filed his complaint in February 2012 alleging that he was not able to buy a car in 2011 because TransUnion reported to lenders that his name potentially matched entries on OFAC's watch list. Ramirez further alleged that he attempted to have TransUnion correct the error on his report but received no assistance.

## Hong Kong Based Atradius Launches Digital Credit Insurance Platform

<https://www.crowdfundinsider.com/2017/06/102488-credit-insurance-meets-fintech-hong-kongs-atradius-launches-new-digital-platform/>

22/6/17

Hong Kong-based credit insurance provider Atradius announced on Thursday the launch of its new digital fintech platform, Atrium. The company describes the portal as an innovative tool that provides customers and distribution partners with real-time data to better understand buyers, credit limits, and risks a company poses.

While sharing details about the platform, Atradius stated:

“Atrium has been designed to directly and quickly address the everyday needs of Atradius’ customers, brokers, agents and account management teams. The buyer centric platform delivers a faster and more efficient user experience focused on applying for cover and filing claims; the services most frequently used by customers. Each Atradius customer can instantly search for and view information about buyers’ creditworthiness, including buyer ratings, current cover and claims. Having received a clear picture of the buyer on the buyer details page the customer can directly apply for a credit limit. Credit limit decisions, in most cases, are immediate.”

## ArchOver Partners with Escalate for SME Dispute Resolution

[http://bridgingandcommercial.co.uk/article-desc-12120\\_ArchOver%20partners%20with%20Escalate](http://bridgingandcommercial.co.uk/article-desc-12120_ArchOver%20partners%20with%20Escalate)  
22/6/17

The partnership will increase ArchOver's ability to provide loans for the SME market, as well as helping borrowers collect disputed payments and enhancing security for lenders. Escalate will enable ArchOver to recoup any disputed assets being used as security for loans over the ArchOver platforms. This will cement ArchOver's market-leading secured lending services. Escalate will protect lenders on the platform by ensuring that any contested debts are paid and will be working with ArchOver's insurance partner Coface. Borrowers who don't have time to chase disputed debts can also benefit from the service by using it to recover invoices that can be used for additional security. This will increase the amount they are able to borrow.

## Stripe Announces New Initiatives in Europe

<https://venturebeat.com/2017/06/22/stripe-launches-in-6-new-european-markets-and-expands-its-connect-payments-platform-for-marketplaces/>

22/6/17

Stripe has announced a handful of tidbits that underscore the fast-growing fintech startup's aspirations in Europe.

Thus far, Stripe has only been fully available to businesses in the U.K., Ireland, Denmark, France, Spain, Norway, Finland, and Sweden. But as of this week, another six markets have been added to the mix: Germany, Switzerland, the Netherlands, Austria, Belgium, and Luxembourg.

Founded by Irish brothers Patrick and John Collison, Stripe serves as the technical and banking infrastructure that allows businesses and individuals to accept online payments. The company has garnered more than \$400 million in equity financing from big-name backers since its inception back in 2010, including CapitalG (Google), Sequoia Capital, Andreessen Horowitz, American Express, and Elon Musk. For many, the company is a prime candidate to go public, but Stripe CEO Patrick Collison stated recently that he has no intentions of pursuing an IPO anytime soon.

Aside from the new market launches this week, Stripe has also announced a new payment routing infrastructure for Stripe Connect in each of its European markets.

## WiseAlpha Set to Complete Crowdcube Round with More Than £1.1 Million in Funding

<https://www.crowdfundinsider.com/2017/06/102486-wisealpha-set-complete-crowdcube-round-1-1-million-funding/>

22/6/17

WiseAlpha, a UK online lending platform that gives everyday investors access to high yield institutional bond and loan investments, is set to close its equity crowdfunding campaign on Crowdcube with more than £1.1 million secured from nearly 1,000 investors.

WiseAlpha raised £579,150 during its first Crowdcube campaign in July 2016. The platform now has more than 1,550 registered users and launched more than 25 different senior secured loans and high yield bonds in market leading UK companies such as Virgin Media, The AA and Pizza Express paying out more than £100,000 in income to investors. In February 2017 WiseAlpha also secured £400,000 from its platform investors to launch its WiseAlpha Investment bond.

WiseAlpha notably indicated that funding will be utilized to expand into Europe, as a way to “defying Brexit gloom.” Funding will also be used to enhance the company’s product offering, adding further automation to its online platform and boosting digital marketing for user growth. The initiative is set to close later this evening.

## Orchard Staying the Course in Their Current Strategy

<https://www.crowdfundinsider.com/2017/06/102501-orchard-platform-pivot-not-fast/>

22/6/17

Earlier this week there was note circulating that Orchard was going to pivot. Specifically, the report said Orchard was pivoting from a data/analytics platform to a loan trading platform. This was interesting as the secondary transaction platform for securities based on online loans has been in the works for quite some time.

In fact, Crowdfund Insider reported on the forthcoming Orchard marketplace for loans back in April of 2016 (since labeled Orchard X). At that time, we wrote Orchard plans on launching the “first end-to-end, many-to-many electronic trading platform for marketplace loans that will help Marketplace Lending to fulfill its destiny as the future of credit.”

Clearly the project has been delayed as Orchard struggled with the realities of launching a highly regulated securities marketplace.

## New Fintech Report Criticizes Robo Advisors, Payments and Praises Marketplace Lending

[http://www.altfi.com/article/3112\\_robo\\_advice\\_and\\_payments\\_are\\_counterrevolutionary\\_but\\_not\\_fintech\\_lending](http://www.altfi.com/article/3112_robo_advice_and_payments_are_counterrevolutionary_but_not_fintech_lending)

22/6/17

Robo-advice is the least revolutionary arm of fintech, with a conservative business model that only tweaks financial services by bringing software to investors rather than their advisors.

Since Robo can easily be adopted by incumbents, it may not just be un-revolutionary but actively counterrevolutionary, claims a new report by Silicon Valley think tank the Christensen Institute.

“Considering the function, they provide, robo-advisors are more sustaining than disruptive. The process of investing has not changed; the current crop of robo-advisory solutions is built as an enabling interface on top of the existing methods of investing,” the report said. “All they have done is automated the process of onboarding to make it easier for individuals to avail wealth management services. “

Many segments of the lending market are under attack... and several aspects of lending are likely to change in ways that are unfavorable to incumbents.

## Insurance Tech Rising: 135+ Insurance Startups Across P2P, Life, Commercial & More in One Chart

<https://www.cbinsights.com/blog/insurance-tech-market-map/>

22/6/17

In November 2015, we released the first Periodic Table of Insurance Tech highlighting key players in the insurance tech space you need to know, including startups, VCs, corporate investors, and accelerators. The market has grown immensely since then, as startups across pet insurance, small business insurance, new sharing economy frameworks, and more has continued to attract venture capital investment.

Q1'16-to-date has already topped the record for most early-stage insurance tech (seed/Series A) deal activity. Of note, two startups, peer-to-peer insurance company Lemonade and small business insurance startup Next Insurance rank atop the largest US tech seed rounds since the start of 2015.

The interest in the space has not been limited to venture investors as a host of carriers and reinsurers have joined the mix. Just this week, Guardian Life made its first strategic investment through its venture arm GIS Strategic Ventures in health benefits startup Maxwell Health.

### Insurance Tech Rising: 130+ Startups Across P2P, Life, Renters, & More

The image displays a collection of startup logos organized into several categories:

- Life/Annuity:** Includes logos for policygenius, Abaris, SURE., BIMA, pb, bb, and surety.
- Auto (Distribution/Comparison):** Includes logos for Insurity, C, Goji, CoverHound, Compara, EVERQUOTE, CUUVA, TOPCHECK, easypolicy, Compara, furlmint, RB, and R.
- Auto Telematics/UBI:** Includes logos for ok, 9m, Sensei, OCTO, 众安保险, and eculix.
- Auto Claims:** Includes logos for snapshoot and a yellow logo with a car icon.
- Healthcare/Dental (Full-stack/SMB/Individual):** Includes logos for oscar, Clover, ZENEFITS, GUSTO, SI, LUMIFY, Massol Health, and others.
- Pet:** Includes logos for FIGO, E, and others.
- Product:** Includes logos for o, H, BEST HEALTH, Array Health, and others.
- SMB:** Includes logos for EM, next, FOUNDER SHIELD, CW, Insureon, and others.
- Mobile Insurance Management:** Includes logos for Knip, GetSafe, CLARK, and others.
- Sharing economy:** Includes logos for safe share, RISK, Slice, and others.
- Renters/Homeowners:** Includes logos for Harbor, Quilt, poncho, MATIC, and others.
- (Re)Insurance Software/Analytics/laaS:** Includes logos for Quantipile, Precalcat, Infocartio, Shift Technology, ONE, zipari, Vercred, miEdge, Dynamis, ClaimKit, and others.
- P2P:** Includes logos for Lemonade, GUYARA, LIVAMO, inspool, and others.

For more insurance tech research, check out: [cbi.vc/insurance-tech](http://cbi.vc/insurance-tech)

**CB INSIGHTS**  
www.cbinsights.com

## India's Central Bank Governor Discusses Fintech and P2P Lending

<http://www.moneycontrol.com/news/business/economy/it-job-losses-overly-pessimistic-start-ups-compensate-with-new-jobs-urjit-patel-2310373.html>

22/6/17

Talking about fintech (financial technology) at the same panel, he said with the emergence of technology-enabled innovation in financial services there will both opportunities and risks to financial sector stability.

He cautioned that these needs to be addressed by policy makers, regulators and supervisors, as many innovations have not been tested through a full financial cycle.

India's fintech industry has almost tripled its size since 2013 and the value of transactions has touched USD 30 billion already. Here, Patel asked to maintain caution of the space that the world is yet to recover even from the 2008-09 global financial crisis.

Meanwhile, the RBI itself is going more digital. The central bank has taken several steps in the sector such as the licensing payment banks, Bharat Bill Payment System and launch of UPI (Unified Payment Interface), IMPS (Immediate Payment Service), among others to facilitate innovations, payment systems and digital banking.

The banking regulator has also issued a discussion paper for peer-to-peer lending companies and will soon issue guidelines on it.

## LoanDepot Appoints EVP, Marketing; EVP, Next Generation Lending

<http://www.prnewswire.com/news-releases/loandepot-appoints-evp-marketing-evp-next-generation-lending-300478082.html>

22/6/17

loanDepot, America's lender, today announced the appointments of Eric Gutierrez as executive vice president, Marketing, and Pat Flanagan as executive vice president, Next Generation Lending. Both Gutierrez and Flanagan will step into newly-created roles as members of loanDepot's executive team, reporting to CEO Anthony Hsieh.

The leadership team expansion will help the company leverage its proprietary, digital-lending platform, mello™ to support its continued growth into new categories of products and services. This maps to the company as it moves from a transaction model to a customer relationship model dedicated to creating a full product of suite for borrowers.

## Harmony's Marketplace hits \$500,000,000

<https://www.harmony.co.nz/about-us/press-releases/harmony-peer-to-peer-marketplace-hits-five-million>

23/6/17

Peer-to-peer lending marketplace Harmony announced today that \$500,000,000 in lending has been transacted through the platform in just under three years of operation. 30,000 Kiwis have made the choice to join the Harmony community with additional support from two challenger NZ owned banks TSB and Heartland.

Our Lenders and Borrowers are everyday New Zealanders, from all walks of life, who have truly embraced the sharing economy and New Zealand's lend a hand attitude by switching to Harmony, New Zealand's first online peer-to-peer lending marketplace.

### Using tech to create online marketplaces

New Zealanders have made P2P marketplaces second nature to their daily life for some time now, adopting services such as UBER, Airbnb and Airtasker and enjoying better value all round.

Launched in September 2014, Harmony has reached the half a billion milestone in June 2017 maintaining its position as one of Australasia's largest P2P lender.

And the results speak for themselves. New Zealanders have been quick to adopt to this new and innovative way to borrow and lend and their support means that the Harmony platform is the busiest marketplace for consumer lending in Australasia!

## Blockchain Skepticism

<https://www.ft.com/content/b5b1a5f2-5030-11e7-bfb8-997009366969>

23/6/17

In the technology market, blockchain has been compared to the introduction of the internet; its early optimism has been focused on cryptocurrency success and the endless possibilities it offers for processing, storage and security in nearly every industry; while there has been a buildup of excitement over the past three years, the Financial Times reports on some of the realities that are now increasing skepticism; highlights that many solutions are far from implementation; notes Gartner's positioning of the technology at its "peak of inflated expectations"; also reports a change in terminology reflecting its challenges in transitioning from cryptocurrency uses to real world applications and the many challenges involved in broad ranging collaboration for infrastructure development

## Easiest Path to Riches on the Web? An Initial Coin Offering

<https://www.nytimes.com/2017/06/23/business/dealbook/coin-digital-currency.html>

23/6/17

A new crop of technology entrepreneurs is forgoing the usual routes to raising money. The entrepreneurs are not pitching venture capitalists, selling stock in an initial public offering or using crowdfunding sites like Kickstarter.

Instead, before they even have a working product, they are creating their own digital currencies and selling so-called coins on the web, sometimes raising tens of millions of dollars in a matter of minutes.

The pitch is that once the products are up and running, the currencies — with names like BAT, Mysterium and Siacoin — will be redeemable for services like data storage or anonymous internet access, and could appreciate in the meantime.

Known as initial coin offerings, this latest twist in online fund-raising has made it easier than ever for entrepreneurs to raise large sums of money without dealing with the hassles of regulators, investor protections or accountants.

Since the beginning of the year, 65 projects have raised \$522 million in these offerings, according to Smith & Crown, a research firm focused on the new industry.

## Verifone Launches New Portable Mobile Point-Of-Sale Products

<http://www.pymnts.com/news/mobile-commerce/2017/verifone-launches-portable-mpos-products/>

23/6/17

Verifone, a world leader in payments and commerce solutions, has launched its newest portable and mobile point-of-sale (mPOS) products to utilize its fully-integrated, Linux-based Verifone Engage platform.

According to a [press release](#) announcing the news, both devices are commerce-enabled and certified with the highest level of global security, PCI 5.0.

The Verifone V240m is a high-powered and compact payment solution for line-busting, curbside service and pay-at-the-table. And as the first mPOS product built on the Verifone Engage platform, the Verifone e285 offers true mobility by untethering businesses from smart device pairings and the checkout counter to accept payments anywhere consumers are.

As part of the Engage platform, the Verifone V240m and Verifone e285 devices allow merchants to access Verifone's App Marketplace, where merchants can review, purchase and install commerce apps to upgrade functionalities. Third-party apps can also be used to customize and personalize the checkout experience

## Experian Invaded Privacy by Reporting Wrong Info, Suit Says

[https://www.law360.com/classaction/articles/937770?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=section](https://www.law360.com/classaction/articles/937770?utm_source=rss&utm_medium=rss&utm_campaign=section)

23/6/17

An Arizona woman hit an international credit reporting agency with a proposed class action Thursday in Arizona federal court, alleging the company invaded her privacy when it reported an outdated judgment against her.

Wendy Espinoza says Experian Information Solutions Inc. inaccurately reported a judgment for an unpaid car loan on her credit report when in fact she had satisfied the balance a year before, according to a complaint filed Thursday.

## The week in fintech: Amazon Reload aims to take e-commerce payments volume

<https://www.capitaliq.com/ciqdotnet/News/Article.aspx?newsitemid=219760801>

23/6/17

Adding to the online retailer's month of big news, Amazon.com Inc. launched Amazon Reload in a move that could lessen card networks' transaction volume on the platform.

Earlier this month, Amazon put payment companies on alert when it announced a deal to buy Whole Foods Market Inc. in an all-cash transaction valued at \$13.7 billion. Amazon Reload could have a similarly jarring effect for Visa Inc. and Mastercard Inc.

Amazon is offering 2% cash back when Prime customers reload their gift card balance through a checking account or debit card. Amazon chooses the faster method to fulfill the reload, according to the company's website. Widespread adoption of Reload could have a negative impact on card companies, if Amazon chooses to reload directly from a customer's bank account through the Automated Clearing House, or ACH, rather than through a customer's card.

But promoting ACH does not appear to be Amazon's intention, Sanford C. Bernstein analyst Lisa Ellis said in an interview.

"My understanding is that the primary purpose of the program is to extend Amazon Prime to a more debit-focused and lower-end consumer," she said. "Prime is currently skewed very heavily up-market. The whole theory behind this is to figure out how to extend Prime to that consumer that's more biased toward debit."

If Amazon does use ACH rather than a network card, that would take revenue away from Visa and Mastercard, Ellis said.

The e-commerce giant has about \$250 billion in volume over the Amazon platform, and today that is virtually all carded, she said. But Visa and Mastercard have about \$7.5 trillion and \$4 trillion in volume, respectively, she said, making the proportion of volume that could be lost if some transactions move to ACH relatively small.

Even including Amazon, "there's really no one retailer that can have that significant of an impact on [Visa or Mastercard]," Ellis said. But she added that the card networks will be watching the situation closely.

In cryptocurrency news this week, the financial technology group [ayondo](#) is now trading Bitcoin. And in what analysts say will be one of the most eagerly expected token sales in recent months, tech startup Block.one will launch the sale of a new blockchain-based currency on Monday, [Reuters reported](#).

BlackRock Inc., the world's largest asset manager, invested in a digital investment manager this week. BlackRock now holds a significant minority equity stake in Scalable Capital, an investment expected to close in the third quarter.

## Chinese Retailer Suning Launches Private Internet Bank

<https://www.crowdfundinsider.com/2017/06/103512-china-weiyangx-fintech-review-37/>

24/6/17

Jiangsu Suning Bank Co., Ltd., a private online bank backed by Suning Commerce Group Co., Ltd., officially launched last Friday.

Like many of its peers, Suning Bank aims to create an online-to-offline bank driven by technology and taking advantage of its 1,576-offline direct-sale stores and thousands of franchise stores to offer payment and banking services to customers. Suning Commerce and Jiangsu Sunrain Solar Energy contributed CNY 1.2 billion and CNY 944 million to the new bank, holding a 30% and 23.6% interest respectively, and the total valuation of the bank exceeded CNY 4 billion.

Since 2013, Suning Commerce, initially a consumer electronics retailer chain operator, has expanded into financial services as part of its overall strategic campaign to become a more diversified group of businesses. Like Alibaba and JD.com Inc., Suning has launched or obtained licenses to establish several financial services, including third-party payment, insurance, micro-loan and consumer loan services

## Blockchain technology is moving into the financial mainstream with IBM and seven European banks

<http://www.cnbc.com/2017/06/26/ibm-building-blockchain-for-seven-major-banks-trade-finance.html>  
26/6/17

IBM is building blockchain technology that will be used by seven of Europe's largest banks, including HSBC and Rabobank, to facilitate international trade for small and medium-size enterprises, the company said on Tuesday. IBM is building this new blockchain, Digital Trade Chain, to help parties track, manage and transact internationally.

The project will mark one of the first real-world use cases of blockchain technology in financial institutions. The potential of blockchain has been praised by the banking industry over the past couple of years, but the first real applications are beginning.

## FinTech Gold Rush: PSD2 Will Be Once in Lifetime Opportunity to Displace Banks

<https://cointelegraph.com/news/fintech-gold-rush-psd2-will-be-once-in-lifetime-opportunity-to-displace-banks>

26/6/17

A London startup has built a developer platform to make it easy for Fintech companies to access bank APIs and leverage the soon-to-be-applied PSD2. Its name is TrueLayer, and it has raised \$3 mln in Series A funding.

For an integrated financial market to flourish, the legislators and regulators must provide a clear legal framework so that innovative payment services can be developed for the European market.

The revised Payment Services Directive (PSD2), which must be implemented by early 2018, is one of these frameworks. It aims to increase pan-European competition and participation in the payments industry, including by non-banks.

Within the new world of possibilities offered by PSD2 and TrueLayer, Blockchain could find a catalyst place. It is a technology with the ability to boost the performance and efficiency of financial institutions, which makes it particularly fit for using bank APIs via TrueLayer.

## The Fastest Consumer Lenders to \$1 Billion in Originations

<http://www.lendacademy.com/consumer-lenders-1-billion-originations/>

26/6/17

We look at the six major online consumer lenders and share how quickly they reached their first billion dollars in originations

In an [interview on CNBC last week](#) Goldman Sachs CEO Lloyd Blankfein shared some news about their consumer lending platform. He said that [Marcus](#) had already crossed \$1 billion in total loans issued and was on track to cross \$2 billion by the end of the year.

Having launched in October 2016 Marcus crossed \$1 billion in just eight months. For the online lending industry that is truly breathtaking speed. And it got me wondering. How does that speed compare to many of the industry leaders we know today?

Now, before I present this research let me say one thing. While it is an interesting data point, the speed at which a platform reaches \$1 billion in total loans issued it is not an indicator of how successful a platform will become. Clearly, there are many other factors that are more important than speed of growth.

Anyway, I did a little digging and through publicly available information I was mostly able to figure out how quickly many of the major platforms reached their first billion in total loans issued. While the data here may not be exact I am confident it is close and the order is correct.

## Plaid puts out a 'request for startups' in nine underserved fintech sectors

<https://techcrunch.com/2017/06/26/plaid-rfs/?ncid=rss>

26/6/17

Plaid wants to make it easier for financial services companies to serve consumers and businesses, but it also sees significant holes in the fintech ecosystem. As a result, the company has issued a Y Combinator-like "request for startups" to tackle issues where it believes significant innovation is lacking.

In case you don't know, Plaid is a kind of picks-and-shovels tool provider for the fintech developer community. Like Yodlee before it, Plaid enables startups and other tech companies to more easily connect with banks, credit card companies and other financial institutions, both to authenticate consumer accounts and access their financial data.

"We think these things have a lot of opportunity and these are areas where we'd love to see new things exist," founder and CEO Zach Perret, Plaid said. "We want to help build a community and lay the blueprint for what we think could be good businesses, or find out more about businesses that already exist."

It's probably also worth noting that the RFS is not just Plaid's wish list. In coming up with its nine emerging sectors, Perret said the company consulted with other fintech entrepreneurs, investors and bankers to find out where they thought innovation was lacking in the financial services industry.

## Sequent Announces Secure Channel Partner Program

<http://www.sequent.com/press-release/sequent-announces-secure-channel-partner-program/>

26/6/17

Sequent, one of the world's leading providers of tokenization services, formally introduced the Sequent Secure Channel Partner Program for resellers worldwide. Sequent created the Secure Channel Partner Program to ensure that Sequent partners are fully equipped to take advantage of Sequent technology and thereby accelerate the implementation and adoption of highly secure mobile payment and access apps.

Sequent Platform was designed and built to enable mobile app development providers across many markets, including: mobile banking, payments, retail, transit, hospitality, access control, and the Internet of Things. Sequent's open API/SDK architecture exposes a variety of trusted and secure services ranging from payment providers such as Mastercard and Visa, to private label, prepaid, debit and gift providers to Sequent's own white label tokenization platform. Sequent's All-IN-ONE platform simplifies and accelerates time to market for app developers who can focus on building the best customer experiences for their clients.

Sequent partners can take advantage of Sequent's portfolio of security certifications from Visa and Mastercard, as well as Sequent's own PCI-DSS Level 1 SP certification. Sequent also offers its partners both a TSP-as-a-Service and an enterprise licensing deployment model.

"Sequent seeks partners who share its vision of accelerating the adoption of digitized cards in smartphone apps and IoT devices with card data provided from the relatively few commercially available token vaults in the world, including Sequent's own TSP-as-a-service, said John Kirst Chief Revenue and Customer Officer of Sequent. "We believe Sequent has an unequalled value proposition for mobile app developers around the world."

## U.S. home lenders see leaner times ahead: Fannie Mae survey

<http://mobile.reuters.com/article/idUSKBN19H0AR>

26/7/17

U.S. mortgage lenders are bracing for rockier times as consumers demand for home loans slows and competition in the mortgage industry intensifies, Fannie Mae's latest quarterly survey released on Monday showed.



Some lenders are worried about a squeeze on their profit margin, but the number of them has fallen since the fourth quarter of 2016, according to the 184 mortgage executives who responded to the survey.

In a response to a tougher climate, more lenders said they plan to relax their lending standards, which could attract more borrowers, survey data showed.

## ezVerify and LendingPoint Launch ezCarePoint to Bring Unprecedented Transparency, Ease and Affordability to Medical Payments

<http://www.businesswire.com/news/home/20170626005587/en/ezVerify-LendingPoint-Launch-ezCarePoint-Bring-Unprecedented-Transparency>

26/6/17

Today at the HFMA ANI 2017 conference, ezVerify and LendingPoint announced an exclusive partnership that will make it easier and more affordable for consumers to pay their medical bills. Working together, the two companies will provide a new service called ezCarePoint, which will allow patients to accurately predict their out-of-pocket expenses and apply for flexible payment plans and loans to cover the costs of medical procedures.

By integrating the ezVerify and LendingPoint technologies, ezCarePoint will help patients verify their insurance coverage and payment responsibility for health care services before the procedure takes place, preventing incidents where patients unexpectedly find themselves responsible for bills outside of their insurance coverage. If the patient can't pay the out-of-pocket costs up front, they will have the option to apply for a loan and payment plan quickly and easily from the ezCarePoint platform. Patients will be notified of approvals in a matter of seconds, and upon approval, LendingPoint will pay the loan proceeds to medical practitioners within one business day to pay the patients' out-of-pocket medical costs up front.

Shareholder and consumer rights law firm Schubert Jonckheer & Kolbe LLP has launched an investigation into whether certain officers and directors of LendingClub Corporation (NYSE: LC) breached their fiduciary duties by causing the company to issue false and misleading statements. LendingClub is an online peer-to-peer marketplace that matches lenders and borrowers for a variety of loans.

## LendingClub Executives Under Investigation

<http://www.prnewswire.com/news-releases/lendingclub-executives-under-investigation-300479242.html>

26/6/17

On May 25, 2017, the United States District Court for the Northern District of California issued an order upholding securities class action claims against LendingClub and certain of its officers and directors. The securities class action alleges that during the period December 11, 2014 through May 6, 2016, the defendants misrepresented key aspects of the company's business, inflating the price of the company's stock.

Specifically, on May 9, 2016, LendingClub revealed that its Founder and CEO Renaud Laplanche had resigned following the completion of an internal review, which had uncovered improper loan transactions and personal investments. LendingClub later announced that it had identified "material weaknesses" in internal controls related to the "tone at the top," and needed to take "remediation steps" to address the problems.

## Understanding the Insurtech Landscape

<http://www.lendit.com/usa/2017/videos/understanding-insurtech-landscape>

27/6/17

Insurtech has become one of the hotter terms in financial services the last couple of years as capital and partnerships dominate the space; at LendIt USA 2017 we hosted a panel of leading insurtech companies to talk about the different models in the market and the solutions they offer; panelists discuss why they chose their certain solution, who is taking the risk within their model and how they go beyond a more efficient distribution channel; the discussion also talked about regulatory issues when building their businesses and how important the user experience is to ensure customer satisfaction; what forces have made them look to disrupt the insurance space like availability of data, the ability to build a back end stack with the newer technology and the appetite of consumers for digital solutions.

[VIDEO LINK](#)

## Mastercard launches several new APIs for developers

<http://www.bobsguide.com/guide/news/2017/Jun/27/mastercard-launches-several-new-apis-for-developers/>

27/6/17

The rise of the API economy is reshaping how businesses operate and how seamlessly they can share their resources with customers. To meet the growing business demand for consistent, seamless and secure commerce, Mastercard Developers has released several new APIs to arm banks, retailers and digital providers with the tools they need to enable payments on new platforms.

There are now more than 40 APIs focused on payments, data services and security available to developers. Mastercard is providing access to proprietary technology, products and services for easy integration into innovative digital solutions. In the US, FreshDirect, Subway and The Cheesecake Factory are implementing chatbots with payment functionality into Facebook Messenger using the Masterpass Chatbot API. Uber and Lyft are making it simple for drivers to collect their pay in near real time with the Mastercard Send APIs. UK gastro-pub chain Young's Pubs is integrating the Qkr! with Masterpass API to allow diners to pay for food, start a tab and split their bill without having to wait in line or for a waiter.

The newest tools available on Mastercard Developers range from helping businesses gain insights on their performance in the era of IoT to digitizing the ways in which their consumers shop and manage personal finances. Mastercard has also added to the New & Experimental API category within the Mastercard Developers platform, enabling partners to test the very latest in technologies and applications.

“Mastercard is focused on unlocking its technology, products and services through APIs so that businesses can create enhanced payments experiences without having to reinvent the wheel,” said Oran Cummins, Senior Vice President, API. “By making it simple for businesses to explore and build new technologies, Mastercard is able to expand its scope of customers and scale its solutions with greater speed.”

Some of the latest APIs enable the ability to:

- Accept cashless payments from their customers' smartphones by simply scanning a Masterpass QR code at any Masterpass QR-accepting retailer location
- Provide cardholders the ability to manage how, when and where their card is being used by setting decline and alerts rules with Spend Controls and Spend Alerts
- Speed up service in restaurants and retailers through the Qkr! with Masterpass mobile order-ahead and payment platform
- Begin to test chatbot technology and enable commerce within their own branded solutions across multiple channels and digital platforms using Masterpass Chatbot

Mastercard (NYSE: MA) is a technology company in the global payments industry. We operate the world's fastest payments processing network, connecting consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone.

## Financial Technology Partners announces continued expansion with live mandates spanning all major continents and establishment of EMEA presence in London

<http://www.lendit.com/news/wp-content/uploads/20170627-FT-Partners.pdf>

27/6/17

Financial Technology Partners (FT Partners), the only global investment banking firm focused exclusively on FinTech, is pleased to formally announce its planned expansion into the Europe, the Middle East and Africa (EMEA) markets. This announcement is a direct response to the global demand the Firm is seeing for its highly specialized and deep domain focused advisory capabilities from EMEA clients and further highlights the Firm's strong activity in cross-border FinTech deals globally. FT Partners' global team of FinTech focused investment bankers will continue to serve its clients and its EMEA operations will be based out of London in the United Kingdom. The Firm is also announcing the continued expansion of its senior team with the addition of Timm Schipporeit, former FinTech investment banker at Morgan Stanley and FinTech investor at Index Ventures, who joins as Managing Director in our London office.

## Japan and Australia Enter into FinTech Agreement

<https://www.ethnews.com/japan-and-australia-enter-into-fintech-agreement>

27/6/17

On June 23, 2017, the Japan Financial Services Agency (JFSA) and Australian Securities and Investments Commission (ASIC) announced the completion of a co-operative framework aimed at bolstering innovation and creating opportunities in each country's financial services industry. Shunsuke Shirakawa, JFSA Vice Commissioner for International Affairs, believes the partnership is a right step for both countries' economies.

Under the agreement, both authorities will assist each other in industry matters, such as referring FinTech businesses to each agency's advice and support group. In addition, the authorities will share vital information, such as emerging market trends, developments, and regulatory issues concerning financial services innovation like virtual currencies – a technology that both countries have recognized for payment of goods and services.

## Impact Radius and LiveRamp Partner to Provide Affiliate Insight for Leading Marketers

<https://finance.yahoo.com/news/impact-radius-liveramp-partner-affiliate-130000731.html>

27/6/17

Today, Impact Radius, a pioneer in global digital marketing solutions, announced a partnership with LiveRamp, an Acxiom® company (ACXM) that is a leading provider of omnichannel identity resolution.

For marketers, a common challenge is activating high-value audience segments across channels and delivering a unified and relevant message. Impact Radius' new integration with LiveRamp enables marketers to do just that by sharing user engagement data between platforms in a privacy-compliant manner (something which has been historically out of reach for performance programs).

This new partnership enables clients to elevate their performance marketing efforts by creating a consolidated view of their users and connecting that data to the rest of the marketing ecosystem. This allows clients to see the offline impact of their online marketing efforts, understand how target audiences interact across the media mix, and personalize experiences by audience segment. As consumers access content across channels, they expect more unified and appropriate messaging from advertisers, and this partnership helps Impact Radius' clients deliver on that expectation. Now, marketers can retarget their performance traffic, while delivering effective content that optimizes campaigns. Many consumers engage in these channels, and it's critical that brands have people-based visibility so they can deliver experiences that meet the high expectations of their targeted audiences

## First Data Introduces Local Payments Solution to Power Cross-Border Global Commerce

<http://www.twice.com/thewire/first-data-introduces-local-payments-solution-power-cross-border-global-commerce/65395>

27/6/17

The rise of global commerce is creating an increasingly borderless economy, and businesses need to provide the payment method their customers prefer, regardless of regional and cultural preferences. To meet this growing need, today First Data (NYSE: FDC), a global leader in commerce-enabling technology, announced the availability of the First Data® Local Payments solution, which will provide digital businesses and their customers with access to 195 local payment options when fully implemented.

Even in a global, always-on digital economy, payment methods have remained largely regional and country specific. Trust and security concerns, cultural preferences, technological limitations, and political restrictions influence purchasing methods, which vary extensively around the world.

With First Data's Local Payments solution, a merchant can manage varying online payment methods through a single interface, using a single collection model. Now, a retailer can easily enable a customer in Europe who wants to use a mobile wallet or a customer in Latin America who prefers making electronic cash payments. Local Payments facilitates numerous payment methods, including real-time online banking, direct debit, cash/voucher payments, payment wallets, payout schemes, and more.

"There has been a significant increase in cross-border shopping in recent years, and while geography is no longer a transactional barrier for eCommerce, payment methods can be a hurdle. Today, 57% of global consumers shop across international borders, and separate reports have indicated that as many as half of these people may end a sale if their payment choice is not offered," said Shane Fitzpatrick, global head of eCommerce at First Data. "First Data's Local Payments solution empowers businesses to accept payments in the methods their customers prefer, all through a single-source provider, no matter where they are located."

Around the world, many people do not have access to banking services, which can pose challenges for cross-border transactions. Local Payments provides greater flexibility for payment acceptance, supporting consumer choice. The solution enables businesses to accept payments from their customers in the method they choose, whether they have a bank account or not. Adding Local Payments through a single integration represents a sales uplift opportunity for merchants.

The introduction of Local Payments expands First Data's robust eCommerce portfolio. First Data now offers a range of solutions for businesses of all sizes,

including the recently-announced **Global PFAC Program** for payment facilitators and the company's cutting-edge Fraud Detect Solution.

Earlier this year, First Data acquired **Acculynk**, a technology company with unique debit routing capabilities that help merchants reduce their total cost of payment acceptance. First Data's eCommerce portfolio is available across the First Data client landscape, from multinational corporations to sole proprietors operating online stores.

For more information on First Data's eCommerce portfolio, or to learn more about the Local Payments Solution, please visit **Local Payments**. If you are attending Money 20/20 Europe this week, please visit First Data at booth G36 to learn more about Local Payments and our eCommerce solutions. First Data's vice president of eCommerce product, Peter O'Halloran, will also be presenting on Local Payments at Money 20/20 on Wednesday, June 28.

## Visa to buy stake in Swedish Klarna

<https://www.bloomberg.com/news/articles/2017-06-27/visa-buys-stake-in-swedish-financial-technology-company-klarna>

27/6/17

Visa Inc. is buying a stake in Swedish payments technology firm Klarna AB and forming a strategic partnership, as both companies aim to expand outside their core markets.

Terms of the deal were not disclosed, but Klarna plans to issue new equity as part of the transaction, the Swedish company's chief commercial officer Michael Rouse said in an interview.

The investment will allow Visa to reach more mobile commerce merchants, particularly in the Nordic region and Germany, said Jim McCarthy, Visa's executive vice president for innovation and strategic partnerships. But both McCarthy and Rouse said it was too soon to say exactly what new products or payment options Visa and Klarna might develop.

"In the mobile-first world, we need to partner with technology companies," McCarthy said. "And we see these partnerships as core to our growth."

Rouse said the Visa partnership might bolster Klarna's position in markets where credit cards are more popular than invoice financing. These markets would include the Netherlands, the U.K. and, most importantly, the U.S., where Klarna has been trying to make inroads since September 2015. The company signed up Overstock.com Inc., Shoes.com Inc. and Shopify Inc. as anchor customers in the U.S., but recently revamped its sales force and corporate structure there in order to win over more merchants.

inRead invented by Teads

Like PayPal, Klarna has historically positioned itself as an alternative to credit cards like Visa. "We have been somewhat enemies in the past in terms of competing and the way we went to market," Rouse said of Visa.

However, Klarna announced it had received its full banking license in Sweden in June, paving the way for the Swedish firm to issue loans and, potentially, credit cards. Klarna has been best known for providing instant, short-term consumer credit, allowing customers to defer paying for goods purchased online until they are delivered. It has also allowed merchants to offer installment payment plans for higher-priced items.

Exclusive insights on technology around the world.

Visa has previously made strategic investments in technology-oriented payment providers Stripe and Square Inc. In 2014, it also invested in digital wallet startup LoopPay Inc., which Samsung bought for \$250 million the following year. In addition, Visa struck a deal last year with one-time rival PayPal that gives Visa greater reach into digital commerce in exchange for PayPal getting more certainty over fees its charged to use the Visa network.

Founded in 2005, Klarna has raised \$332 million in venture capital from investors that include Moscow-based investment firm DST Global and U.S. venture capital firms General Atlantic and Sequoia Capital. It was valued at \$2.25 billion in 2015 when a group of insiders sold shares privately, making it one of Europe's tech unicorns, or private companies valued at more than \$1 billion.

## Growth of app-based banking will continue, says Tandem boss

[http://www.altfi.com/article/3126\\_growth\\_of\\_app\\_based\\_banking\\_will\\_continue\\_says\\_tandem\\_boss](http://www.altfi.com/article/3126_growth_of_app_based_banking_will_continue_says_tandem_boss)  
27/6/17

### **Fintech founder says cash will continue to fade in relevance.**

Today marks the 50<sup>th</sup> anniversary of the unveiling of the world's first ATM at a Barclays branch in Enfield, London. The Bank of England's chief cashier, Victoria Cleland, has marked the occasion by saying that cash remains a part of the Bank's plans.

While acknowledging a decline in cash transactions, Cleland also pointed out that 94 per cent of UK adults still use cash machines.

Meanwhile, Ricky Knox (pictured), founder and CEO of the digital-only challenger Tandem, believes that cash is on the way out. Knox says that the UK has witnessed a major shift in the way that people manage their money since the arrival of the country's first cash machine. He argues that the cash machine made it easier for customers to access and manage their money, and that while technology has changed since 1967, the demand for easier methods of money management remains.

"The feedback from our Co-Founders is that they want to move banking from the branch to the palm of their hand, and with the proportion of payments made in cash falling around 20 per cent since 2005, we at Tandem definitely see the trend of app based banking accelerating, particularly with the introduction of open banking legislation next year," he said.

Tandem is a digital banking challenger which exists as a kind of wrapper on top of a user's existing bank accounts. Within its arsenal are many of the usual fintech tricks, such as spending analytics and automated savings plans.

The firm was forced to cancel its planned savings products when the larger part of a fundraiser fell through in March. It subsequently changed its name from Tandem Bank to Tandem Money.

But the app-based banking phenomenon is certainly building up steam. The major players (Monzo, Tandem, Revolut and so on) have acquired millions of users between them, and are proving particularly popular with younger people.

Although these firms allow their users to withdraw cash from ATMs, on balance they promote a cashless society – through such features as instant payment notifications, the ability to hold multiple currencies on one card, and so on.

Barclays marked today's anniversary by colouring the modern-day Enfield cash machine gold. Could this prove a harbinger of a more ornamental future for the ATM?

## Square Is Eyeing Consumer Lending

<http://www.pymnts.com/news/alternative-financial-services/2017/square-is-eyeing-consumer-lending/>  
28/6/17

Square's quest to evolve past its original incarnation as a payments processing firm for small merchants is apparently set to expand into consumer lending. **According to WSJ reports**, CEO and co-founder Jack Dorsey has begun quietly circulating word among its SMB customers that it is willing to provide credit to their customer base.

The consumer lending pivot builds off Square's recent prepaid debit release and moves the company into more direct competition with the likes of PayPal, Affirm and Synchrony Financial. And, since Square intends to carry the loans on its balance sheet starting out, they will potentially be on the hook for consumer defaults, which have been on the rise of late. Some of that liability could be deferred in the future if loan volume grows sufficiently that the debt can be bonded and sold to outside money managers. Square already securitizes its SMB lending debt that way.

Its shift to consumer lending will kick off this week with its new loan program online for consumers in six U.S. states: California, Colorado, Florida, New Jersey, New York and Virginia. The program will be offered to sellers who use Square Invoices. Consumers who opt in to the program will be given an option to finance invoices over a period of three, six, or 12 months.

## Genpact Launches Artificial Intelligence-Based Platform, “Genpact Cora”

<http://www.genpact.com/about-us/media/press-releases/2017-genpact-launches-artificial-intelligence-based-platform-genpact-cora>

28/6/17

Genpact (NYSE: G), a global professional services firm focused on delivering digital transformation, today unveiled Genpact Cora – an artificial intelligence (AI)-based platform that accelerates digital transformation for enterprises. Genpact Cora is a modular, interconnected mesh of flexible digital technologies that homes in on specific operational business challenges and tackles them from beginning to end, helping large global companies reframe and solve their most pressing real-world business issues. As part of its ongoing strategy to drive digital-led innovation and digitally-enabled intelligent operations for clients around the world, Genpact has created Genpact Cora to provide the fastest path to driving meaningful transformation at scale.

Genpact believes it is the first in the industry to fully integrate automation, analytics, and AI engines – in a single, unified platform, embedded with and drawing insights from Genpact’s deep domain expertise that comes from running thousands of intelligent operations and processes for hundreds of Fortune 500 companies across numerous industries. Genpact Cora drives digital transformation in a planned and managed fashion, without sacrificing the governance security and investment protection that mature and established businesses need.

## European bank consortium selects IBM to build blockchain-based trade finance platform

<http://payments.banking-business-review.com/news/european-bank-consortium-selects-ibm-to-bring-blockchain-based-technology-to-smes-270617-5853261>

28/6/17

A consortium of seven European banks has selected IBM to build and host a new trade finance platform based on blockchain technology.

The Platform is aimed at simplifying and facilitating domestic and cross-border trade for small and medium enterprises in Europe.

To develop the platform, the Digital Trade Chain Consortium which consists of Deutsche Bank, HSBC, KBC, Natixis, Rabobank, Societe Generale and Unicredit has selected the technology giant IBM through a global competitive bidding process.

The platform, which will be based on IBM Blockchain powered by Hyperledger Fabric, will also aimed at increasing overall trade transaction transparency.

## First international remit pay service launched in Ethiopia

[http://www.itnewsafrika.com/2017/06/first-international-remit-pay-service-launched-in-ethiopia/?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+itnewsafrika+%28ITNewsAfrica.com%29](http://www.itnewsafrika.com/2017/06/first-international-remit-pay-service-launched-in-ethiopia/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+itnewsafrika+%28ITNewsAfrica.com%29)

28/6/17

Mastercard and digital service provider Kifiya have partnered to introduce a digital solution that will ultimately allow citizens to pay for all bills in one location in Ethiopia. The partnership will impact millions of Ethiopian citizens living abroad, as well as those living in the East African country.

The digital solution, accessible on computer and mobile devices, will further streamline the experience of paying for bills by letting citizens both within and outside the country's borders make immediate digital payments – a major benefit for citizens of Ethiopia, which has one of the continent's highest proportions of citizens living outside the country.

The roll-out of the solution will comprise multiple phases, with Mastercard and Kifiya's strategic partnership specifically focusing on the first phase involving utility payments. It will enable Ethiopian diasporas to pay for the utility bills of friends, family and relatives facilitated by Mastercard's secure international payment processing capability, Mastercard Gateway Services

## FinTech Association of Hong Kong Launches to Advocate & Promote Innovations in Finance

<https://www.crowdfundinsider.com/2017/06/116177-fintech-association-hong-kong-launches-advocate-promote-innovations-finance/>

28/6/17

Yesterday there was a well-attended event in Hong Kong to announce the launch of [the FinTech Association of Hong Kong](#) (FTAHK).

The FTAHK is an independent, not-for-profit, member-driven organization that is now the voice of the Fintech community in Hong Kong. Members range from Fintech startups and to global financial institutions and service providers. FTAHK is currently led by a volunteer group of board members from the Fintech community who want to promote Hong Kong as a burgeoning Fintech hub.



Henri Arslanian, Board Member, FinTech Association of Hong Kong and FinTech & RegTech Leader for China/Hong Kong at PwC, commented on the launch;

“We look forward to working with the entire ecosystem, from start-ups and financial institutions to regulators and government, to drive Fintech forward not only in Hong Kong but also globally.”

Alex Medana, CEO of FinFabrik, added;

“Learning, being part of the dialogue, sharing knowledge, nurturing talent, and coaching other founders are some of the reasons why we at FinFabrik are so excited to be at the start of the

journey of the Hong Kong FinTech Association.”

The new Association will help power the further development of Hong Kong as a leading FinTech centre with three main goals:

- Advocate – create the unified voice for the Hong Kong FinTech ecosystem
- Collaborate – bring together the diverse parts of the community
- Educate – learn from existing leaders and nurture the next generation of talent

FTAHK has created a series of committees to help guide the emerging Fintech community. These include committees addressing the sectors of; blockchain, artificial intelligence, big data, payments, Regtech, Insurtech, financial literacy, and more. Led by volunteers from each field, the committees bring

together interested parties from across Hong Kong and beyond to facilitate, mentor and educate on their subject areas.

The Association says it reflects Hong Kong's entrepreneurial character. The leaders say that by uniting the diverse elements of Hong Kong's Fintech industry – including both established financial institutions, startups, academia, government, investors, corporates and accelerators – the Association will further strengthen Hong Kong's status as a Fintech hub.

“We are delighted to be joining the Fintech Association of Hong Kong as a founding member,” said Andrew Eldon, Head of Digital, Hong Kong, Retail Banking & Wealth Management at HSBC. “This is an important industry-led initiative and HSBC has a leading role to play in supporting Hong Kong's continued development as a world-class FinTech hub. Joining the Association gives us an opportunity to deepen our ties across the Fintech landscape and contribute our time, resources and thinking to continue to shape Hong Kong's financial future.”

## Pantera Capital to Raise \$100 Million in Investment for ICO Hedge Fund

<http://www.coindesk.com/100-million-pantera-capital-ico-hedge-fund/>

28/6/17

The \$600m market for initial coin offerings may soon be set to expand.

Announced today, investment firm Pantera Capital is launching a new hedge fund focused on investments solely in tokens that power public blockchain protocols.

Called Pantera ICO Fund LP, the fund intends to raise \$100m, with \$35m already raised in support from the firm's existing investor base, undisclosed new investors, and according to the company, unnamed venture capital firms. The new fund will complement Pantera Bitcoin Partners, a joint investment fund launched by Pantera, Fortress, Benchmark Capital and Ribbit Capital in early 2014 to invest in the cryptocurrency.

In interview, Pantera's leadership team framed the fund as an extension of its past investments, which have included traditional investments in startups that have sought to incentivize distributed networks using tokens. Included in the Pantera portfolio are Ripple and the Zcash Electric Coin Company, which use the XRP and ZEC tokens, respectively.

Pantera CEO Dan Morehead and Augur co-founder Joey Krug will serve as chief investment officers for the fund. With the move, Krug is also joining Pantera full-time.

The fund is currently open only to US institutions and individuals, though it intends to eventually open support to non-US participants.

As explained by Paul Veradittakit, venture investor at Pantera Capital, the fund creation was sparked by the recent rapid uptick in interest in tokens and protocols. According to CoinDesk data, funding for ICOs has already surpassed traditional venture capital banking in 2017.

The mechanism has gone so far as to attract mainstream brands, with messenger service Kik announcing it would soon test a network token.

"Six months ago, ICOs were a few million dollars," Morehead told CoinDesk. Even ethereum's crowdsale was only \$18m. I think, with Kik, we're at a watershed moment, a company with millions of active users is transitioning to open source."

### Market strategy

In interview, Pantera further opened about how it would seek to inject its capital in the market, comments that shed light on how its movements could impact the day-to-day holdings of retail investors who may also be seeking exposure to crypto assets.

In this way, Morehead said that the market shouldn't expect Pantera to be frequently entering and exiting deals, though he said the fund would take steps to preserve its profitability and maximize opportunity if warranted.

"We're going to make relative value judgements. If the token has reached a fair value and there's a new token that's inexpensive, we would trade," he said. "But, we're investing in tokens, we're not making markets."

Krug also explained a bit about how it will seek to make technical evaluations on the prospects of various projects, evaluating the technical foundations of the designs of proposed protocols, as well as the strength of the team

It's worth noting that investing in ICOs is still an inexact science, as, owing to the difficulty of changing blockchain infrastructure protocols, its unknown whether pivoting will be as easy for entrepreneurs building on top of the tech.

That's where Pantera is hoping Krug's experience will pay dividends.

Augur raised \$5.3m in an ICO for its ethereum-based prediction market platform in 2015 through the sale of tokens that power its reputation system. Today, its network is valued at \$305m, with tokens trading for \$27 at press time, according to data from Coinmarketcap.

### **'Bubble' talks**

Also discussed was the rapid escalation in value observed in the total cryptocurrency market, which surpassed \$100bn earlier this year, up from \$18bn on 1st January, and the effect of what some have called a "bubble" forming in the market.

Still, Krug sought to take a more long-term view, asserting that despite short-term fluctuations, he's confident that the ICO process will emerge as a compelling way to fund protocol development, one that will continue to interest investors and entrepreneurs.

"In the long term, we're at the very beginning," he remarked.

Likewise, Morehead said that, as with its bitcoin fund, the ICO fund is likely to see ups and downs. Overall, he focused on the fact that the funds would expand Pantera's investment capabilities while helping to fund and fuel growth in the market.

### **Krug concluded:**

However, Pantera's investment strategy will be more nuanced than simply working with major brands that may be interested in the concept.

According to Krug, the fund will primarily seek to fund new protocols, ones which they believe will use cryptographically unique data in a way that's integral to their operations.

"If you look at the tokens, they fall into two categories. Rent-seeking tokens, where you can remove the token and the network will be better off, and non-rent seeking tokens, where you remove the token and it doesn't work," he said, adding

## Western Union Launches Updated WU GlobalPay For Students Platform

<http://www.pymnts.com/news/payment-methods/2017/western-union-launches-updated-wu-globalpay-for-students-platform/>

28/6/17

Global payments services company Western Union recently announced the launch of its enhanced WU GlobalPay for Students product. The offering will enable academic institutions to better reconcile, refund and track payments from international students.

In a press release, Western Union said the platform aims to assist universities and colleges around the world with simplifying the reconciliation of incoming international payments, which is a complex and time-consuming process.

“This release of WU GlobalPay for Students is a real testament [to] WU’s capabilities and shifting orientation as a FinTech organization,” said Kerry Agiasotis, chief payments officer at Western Union, at the Money 20/20 conference held in Copenhagen. “Staying focused on the needs of both our Education Institution customers and their international students, the product has been revamped to take advantage of substantial investments WU has made in new technologies.”

The functionality of the WU GlobalPay for Students product will save end users time and money.

“The upgrade results in significant efficiencies for our Education Institution customers in more rapidly and cost-effectively processing international student receivables, whilst at the same time providing a modern, multi-channel user experience that is demanded by today’s digital consumers,” said Agiasotis.

The WU GlobalPay platform was designed with a mobile-first user interface and enables real-time payment tracking capabilities. Western Union said WU GlobalPay for Students was developed to better meet the needs of international students and to help improve the overall payer experience.

## Elevate's RISE Credit Enters a Sixteenth State, Offering Lines of Credit in Kansas

<http://www.businesswire.com/news/home/20170628005314/en/Elevate%E2%80%99s-RISE-Credit-Enters-Sixteenth-State-Offering>

28/6/17

Elevate Credit, Inc., a leading tech-enabled provider of innovative and responsible online credit solutions for non-prime consumers, announced today that its RISE product, traditionally offering installment loans, will now offer lines of credit. Kansas will be the sixteenth state where RISE's products are available and the first state in which RISE's line of credit is available to non-prime consumers.

RISE is a state-licensed online lender offering unsecured installment loans and lines of credit. RISE is designed to meet the needs of the millions of non-prime Americans with less than prime-credit, who do not have access to traditional sources of credit. RISE is a path toward a brighter financial future with features such as fast approval, flexible loan terms, lower rates than other non-prime lenders, rates that can go down over time, credit bureau reporting, free credit score monitoring and financial literacy courses.

"We have innovated our product offering to help more customers across America who do not have access to traditional credit options and need better options to meet their immediate needs," said Ken Rees, CEO of Elevate. "Importantly, we've done it in a way that responsibly meets regulatory requirements in more states, which is key to growth opportunities."

RISE's line of credit will offer the same simple application, approval process, rates and flexibility of the installment loan product. However, with RISE's line of credit, customers will be able to withdraw up to the full amount of their original approval at any time.

"RISE's line of credit offers the ability for customers to re-consider and take out a higher amount if needed later. For many Americans, expenses are often unpredictable. In fact, according to a recent study by J.P. Morgan Chase & Co., two in five Americans experience month-to-month income swings of 30 percent or more. That's why having access to the flexibility of an open-ended line of credit is important in managing their day-to-day finances," said Tony Leopold, General Manager of RISE.

"RISE's mission is Good Today, Better Tomorrow. We are constantly learning from and listening to the needs of our customers. Our focus on innovation has allowed us to offer a new product in a new state, thereby expanding RISE's reach. With this growth, we can offer better products to more people in America's growing New Middle Class," ended Leopold.

## Daimler AG Issues €100 Million Corporate Bond in Blockchain Trial

<http://www.coindesk.com/daimler-ag-issues-e100-million-corporate-bond-blockchain-trial/>

28/6/17

German automaker Daimler AG has issued a corporate bond worth €100m as part of a blockchain pilot project.

The carmaker announced the completed test today, working alongside Landesbank Baden-Württemberg (LBBW), Germany's largest state-backed wholesale banks group, to create a testbed for issuing the one-year corporate bond known as a Schuldschein.

The test also included a trio of savings banks based in Esslingen-Nürtingen, Ludwigsburg and Ostalb, respectively, who along with LBBW simulated lenders within the prototype system.

According to Daimler, the entire transaction cycle – from origination, distribution, allocation and execution of the loan agreement, to the confirmation of repayment and of interest payments – was automated digitally through the blockchain network. Lending technical support were the IT subsidiaries of Daimler and LBBW, which also adopted the blockchain's cryptographic signature to prevent manipulation of transactions.

Daimler and LBBW are now looking at other applications, including the issuance of syndicated loans by way of a distributed ledger.

The test comes months after Daimler linked up with the Linux Foundation-led Hyperledger blockchain project. As CoinDesk reported in February, the automaker joined the initiative as part of a broader bid to explore possible uses.

"We see blockchain as a promising technology, not fully mature yet, but continuously growing. Now is the right time to get into it, build up knowledge and form a network of like-minded people to share experiences," Jan Brecht, Daimler's CIO, said at the time.

## Financial Stability Board Issues Report on Fintech: “Regulators Need to Understand the Impact”

<https://www.crowdfundinsider.com/2017/06/112078-financial-stability-board-issues-report-fintech-regulators-need-understand-impact/>

28/6/17

The Financial Stability Board (FSB) has weighed in on the burgeoning Fintech sector of finance. The FSB has been analyzing “financial stability implications” potentially created by Fintech innovation. The FSB says it is specifically seeking to identify “supervisory and regulatory issues that merit authorities’ attention”.



The FSB is currently chaired by Mark Carney, Governor of the Bank of England, a noted advocate of the potential benefits of Fintech. The FSB was created in the wake of the financial crises to coordinate at the international level the work of national financial authorities to promote financial stability.

The FSB stated there are currently no compelling financial stability risks from emerging Fintech innovations. This is perhaps due in part to the relatively small size of the Fintech in comparison to the overall financial system. The FSB added that experience shows that risk can emerge quickly if left unchecked.

In November of 2016, Svein Andresen, Secretary General, Financial Stability Board, commented on innovations in finance;

“Financial innovation enabled using new technology, or Fintech, is already a driver of change in the financial system and its importance will inevitably increase. Understanding these innovations, therefore, is important for a full understanding of the structure and functioning of the financial system. Given its mandate to promote international financial stability, the FSB has a role to play as Fintech continues to develop. Our work is focused on new and emerging risks. We have seen many interesting trends over last few years in Fintech. However, it is quite possible that a number of the changes either do not pose new risks or may pose risks that are already effectively regulated.”



Andresen continued to explain the FSB did not want to bias their work against Fintech. The FSB was taking a position of monitoring Fintech and acting upon any risks as they emerge. Andresen added that the FSB has considered the financial stability implications of distributed ledger technology (DLT or Blockchain), and they were during an in-depth study of the financial stability implications of peer to peer lending.

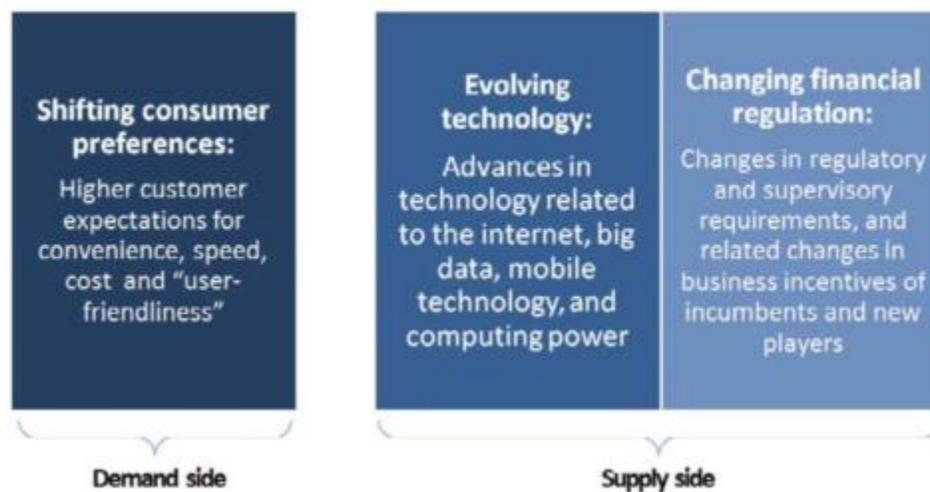
According to the FSB, ten areas of interest have been identified of which the following three are priorities for international collaboration. These three priorities are viewed as “essential” to supporting financial stability “while fostering more inclusive and sustainable finance.” The three priorities are:

- The need to manage operational risk from third-party service providers;
- Mitigating cyber risks; and
- Monitoring macro financial risks that could emerge as Fintech activities increase.

The other areas that merit attention include:

- Cross-border legal issues and regulatory arrangements.
- Governance and disclosure frameworks for big data analytics.
- Assessing the regulatory perimeter and updating it on a timely basis.
- Shared learning with a diverse set of private sector parties.
- Further developing open lines of communication across relevant authorities.
- Building staff capacity in new areas of required expertise.
- Studying alternative configurations of digital currencies.

**Figure 2: Drivers of financial innovation**



Carolyn A. Wilkins, Senior Deputy Governor at the Bank of Canada and chair of the FSB’s **FinTech Issues Group**, said;

“Regulators need to understand the impact that developments in FinTech can have on financial stability, especially given the rapid rise of innovation in this space. Our report today sets out a clear picture of supervisory and regulatory issues, which the FSB will continue to monitor and discuss going forward.”

The FSB report has developed a framework that defines the scope of Fintech activities to be covered and classifies them by their primary economic function. The FSB says this enables the analysis to be technology neutral.

The FSB said that potential benefits of Fintech identified in the report include:

- Decentralization and increased intermediation by non-financial entities;
- Greater efficiency, transparency, competition and resilience of the financial system;
- Greater financial inclusion and economic growth.

The FSB said the potential risks include:

- Institution-specific micro-financial risks that could emerge
- System-wide macro-financial risks, for instance increased connectedness and correlation risk.

The FSB says there is a need for the official and private sectors to improve data on Fintech applications, and for regulators to understand how businesses and the market structure are changing. International bodies and national authorities should take Fintech into account in their risk assessments and regulatory frameworks.

The FSB report has a brief synopsis of the different sub-sectors of Fintech including capital formation (IE equity crowdfunding / peer to peer lending), Insurtech and more.

The FSB said it intends on delivering this report at the Hamburg G20 Summit on July 7 & 8.

## Flexiti Financial Expands POS Offering in Canada

<http://flexitifinancial.com/flexiti-financial-wins-bid-with-major-outdoor-equipment-manufacturers-to-offer-point-of-sale-financing-to-over-800-dealers-across-canada/>

28/6/17

Flexiti Financial, a leading provider of point-of-sale (POS) financing and payment technology for retailers, today announced that it has won a competitive bid to be the preferred POS financing partner in Canada for the dealers of outdoor maintenance and equipment manufacturers including Husqvarna, Briggs & Stratton, Ariens, Big Dog Mowers, Hustler, ECHO Power Equipment and ECHO Bear Cat. Flexiti Financial now has access to over 800 dealers that sell lawn and garden tools and outdoor power equipment.

“With a large dealer network across Canada, it was critical that we partner with a financing company that can be flexible and nimble to meet our needs, while offering an easy-to-use service for dealers that can quickly scale across multiple locations,” said Jeff Ness, Director of Credit at Ariens. “Flexiti Financial’s POS financing platform and client-first approach meet these needs, and we are thrilled to partner with them to help our private dealers offer sales financing to their customers.”

Dealers will now have access to Flexiti Financial’s award-winning POS financing platform, which will allow them to provide instant financing on any device, anywhere, and instant credit approval in three minutes. Flexiti Financial’s unique technology, advanced algorithm and customer service allows dealers to offer customized payment plans at interest rates significantly below current credit options on the market, and confidently approve more people than a typical financial institution.

“Flexiti Financial is proud to be selected as the financing partner for such a diverse and respected group of manufactures and dealers,” said Peter Kalen, Founder and CEO of Flexiti Financial. “We look forward to working with these dealers across Canada to help them experience the power an effective POS financing platform can have on generating sales and improving the customer experience.”

## California Casualty Extends Selection of Guidewire Systems to Better Adapt and Succeed

<https://www.guidewire.com/about-us/news-and-events/press-releases/20170629/california-casualty-extends-selection-guidewire>

29/6/17

California Casualty, an auto and home insurance company for educators, firefighters, law enforcement and nurses, and Guidewire Software, Inc. (NYSE: GWRE), a provider of software products to Property and Casualty (P&C) insurers, today announced that California Casualty has selected additional Guidewire Insurance Platform™ products to help transform its personal auto and homeowner lines of business. Guidewire PartnerConnect™ Consulting member Ernst & Young LLP has been selected to lead the implementation project.

California Casualty has selected Guidewire PolicyCenter®, BillingCenter, Rating Management, and Client Data Management as its policy administration, underwriting, rating, client data management, and billing management platform. The company has also selected Guidewire DataHub™ and InfoCenter as its data management and analytics solutions, and Quote and Buy Portal for Policyholders and Account Management Portal for Policyholders to provide engaging, digital self-service to its policyholders. California Casualty plans to implement all selected products simultaneously, in a phased approach across the 44 jurisdictions where it does business. California Casualty has been deployed on Guidewire ClaimCenter® since 2008.

“We are excited to continue our partnership with Guidewire through the selection and implementation of additional InsurancePlatform products to enhance the levels of service we provide,” said Michael Bower, Executive Vice President, Technology and Investments, California Casualty. “We are looking forward to all of the benefits we will receive from running modern systems that complement our previous investments in ClaimCenter.”

Bower continued, “The ability to quickly integrate our core, data, and digital systems through Guidewire and deploy to our customers, rather than building the systems ourselves, was very attractive to us. We are confident that the combination of Guidewire systems, EY implementation experience, and our dedicated internal staff can bring the project to a successful conclusion.”

Guidewire’s products will enable California Casualty to:

- Enhance operational efficiency and productivity throughout the organization by standardizing policy administration and billing management on a cohesive technology platform;
- Provide deeper insight due to better data and analytics through the full InsuranceSuite product line; and
- Improve customer experience both online and through their call centers.

“We are honored that California Casualty selected us for this next phase of their transformation journey,” said David Connolly, Principal, Ernst & Young LLP. “Close collaboration with our clients and with Guidewire has shown how technology and business teams can work together to deliver a modern and flexible solution that provides value for both policyholders and internal employees.”

“We thank California Casualty for its insurance industry vision and steadfast Guidewire support. We also applaud their dedication to providing protection and peace of mind to those serving the community through its commitment to providing a great customer experience,” said Ken Shapiro, Group Vice President, Americas Sales, Guidewire Software. “We look forward to helping ensure California Casualty’s ability to compete in the rapidly changing insurance marketplace.”

## How Incumbents View Disrupters & Technological Innovation

<http://www.lendit.com/usa/2017/videos/how-incumbents-view-disruptors>

29/6/17

Insurtech companies have begun trying to take market share away from the incumbent insurers; at LendIt USA 2017 we hosted a panel of venture groups from traditional insurers to get their viewpoint on the trends in the market; panelists discuss the real meaning of disruption and what it really means in the insurance market; the ease of technology is allowing smaller groups of people with reasonable means of capital the ability to be a disruptive force in the market; technology has also made existing distribution channels run more efficiently and has helped the underwriting process become less time intensive; they also talk about how new technologies are helping to solve some of the bigger issues in insurance today; panelists also touch on the ability of bigger insurance firms to be able to partner with startups to get technology and their talent on board without having to build out new technologies from within; other topics discussed include regulatory structure in the US and what the partnership parties are looking to get out of partnership deals