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Weekly News Update

Week Ending 7/7/17

First Data introduces *Local Payments* solution to power cross-border global commerce

26/6/17

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.

"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."

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.

http://www.businesswire.com/news/home/20170626006033/en/Data-Introduces-Local-Payments-Solution-Power-Cross-Border

New Report: Payments-as-a-Service (PaaS)

26/6/17

As more customers engage in cross-border trade, the pressure is on merchants to meet the demand for convenient payment options.

To meet the changing demands of a growing consumer base, several FinTech players are offering new payment services to address the payment needs of all types of merchants. These services are not just enabling merchants to offer consumers greater convenience, but are also providing new opportunities to foster customer engagement, beef up payment security and collect data insights.

The June Payments-as-a-Service (PaaS) Tracker™ follows recent developments in the payments industry, from cross-border commerce developments to point-of-sale solutions to loyalty programs and how these new tools could change business operations for retailers large and small — and, yes, medium too.

News from the Payments-as-a-Service Landscape

With the companies stepping up their investments in new payment tools, old ways of interacting at some notable brick-and-mortar businesses are headed for big changes.

For starters, the introduction of new payment solutions could mean a clean start for laundry service merchants and the end of the annoying search for quarters. Integrated cashless and mobile payment solutions provider USA Technologies partnered with cashless hardware manufacturer Setomatic Systems to bring cashless payment options to U.S. laundromats, manage loyalty cards and help consumers locate a free washer or dryer unit close to them using a mobile app.

Laundromats are not the types of only brick-and-mortar businesses that are seeing big changes because of new PaaS tools. Other payment solutions could improve the customer experience when car owners get their vehicles serviced at a dealership. A new mobile point-of-sale (mPOS) system introduced at an authorized BMW dealership in Singapore, for instance, will allow customers visiting a dealership for service to make a payment with a customer service agent using the mPOS system instead of visiting the dealership's payment counter.

Restaurant customers in the U.S. could also find a more convenient way to pay for their meals right at their tables. Posera and Ingenico launched a new pay-at-the-table solution that enables patrons to pay for meals from table-based terminals and gives restaurants owners data to improve operations. These solutions are among several new payment solutions released by FinTech companies in recent weeks that are aimed at enhancing customer experiences, delivering data insights and improving merchant operations.

Speaking of improving operations, the growth of international trade has some platform merchants thinking about improving their global trade profiles to meet increased consumer demand. With global

cross-border B2C sales estimated to be valued at roughly $424 billion by 2021, some merchants are realizing the potential at stake and are stepping up their efforts to improve their global payments capabilities.

And, in a recent effort to help merchants meet customer expectations, Paysafe released a report outlining five specific steps merchants can take to improve their cross-border trade strategies and boost their global growth. The recommended strategies include investing in alternative payment methods to establish a strong local presence, improving security and compliance protocols and developing a seamless international eCommerce experience.

A Compass for Merchants Navigating the PaaS Space

With so many new payment tools in the marketplace that offer a wide range of services aimed at helping businesses accept payments and offer cost-saving efficiencies, the search for the right payments provider can be frustrating for some merchants. Because merchant needs vary from company to company and region to region, finding the right solutions provider can be daunting task.

However, a newcomer to the FinTech space may have developed a solution to make the PaaS shopping experience slightly easier. For the June feature story, PYMNTS spoke **with** Rodney Bain, co-founder and managing director of APEXX FinTech Ltd**.** about the company's new platform to make the search for a PaaS provider less "overwhelming."

http://www.pymnts.com/payments-as-a-service/2017/apexx-fintech-cofounder-rodney-bain-talks-paas-platforms-and-merchants/

iZettle makes invoicing mPOSsible

26/6/17

When iZettle launched in 2010, it had a simple mission according to CEO and Co-Founder Jacob de Geer: make it possible for small businesses to accept cards. But after seven years in the game, de Geer said he realizes that the opportunities are much, much bigger.

"Over time we realized the needs for small businesses are for all of the financial services normally only available for the big companies. We realized we wanted to offer a one-stop shop commerce platform for small businesses — and began building out our platform to become that for those small merchants."

Marking their latest milestone on becoming that one-stop shop, today iZettle is announcing news that going forward it will enable users across Europe to register local mobile payments methods and send invoices through its point-of-sale app.

The new — and free — service will allow businesses to enable British Pay by Bank app, Swedish Swish, Norwegian Vipps and MobilePay in Denmark, Finland and Norway. The new invoicing service allows small business owners to send invoices back and forth by a few clicks — hopefully with the result of getting paid faster (and electronically).

The Importance of Building for Local Needs

It can be easy to overlook the power of local mobile payments, de Geer noted, but in many European markets, that is akin to overlooking a substantial business opportunity.

"In Sweden, we have … Swish that is currently used by 5.5 million Swedes. There are only nine million people in this country."

Vipps is Swish's Norwegian equivalent and has a local adoption rate above 50 percent; MobilePay is installed on nine out of 10 smartphones in Denmark — and is also used in Finland and Norway. "It is becoming a pretty big deal for merchants to accept these payments in an easy way," de Geer noted, as they are increasingly driving a very important share of commerce in their home markets.

But, unlike the U.S., which is a unified market, incorporating local payments methods is challenging because "things are very, very local."

That includes accounting for local language and commerce customs — but also the ever-complicated world of rules and regulations which can vary. Even in the single market E.U. — where there is a general set guiding all financial services — there are plenty of "local flavors to account for."

"What iZettle can offer is scalable functionality across these markets — and that is not easy to find in a very fragmented payments world where being able to support all the local variation of payments is increasingly important."

Making Invoices Easier

Invoicing, de Geer noted, is an addition to the service that came up in conversations with their merchants. When asked what they wanted, after the common answer, "help selling more," was given, the second most common answer was about invoicing.

"It kept coming up as a challenge — and we didn't know why. It wasn't very exciting, and we felt like this was a problem we had heard was on the agenda for a solution for a long time."

On the schedule, perhaps, but for smaller businesses looking for a simple and easy-to-use tool to send invoices back and forth — not actually gotten to yet.

"So, we built invoicing tools that are simple and easy to use from the app. We help out with the more time-consuming part; we make sure to track your money and your money flow and to tell the merchant if funds have been paid to the accounts, and who paid them."

That, he noted, in the future, can and likely will develop into more sophisticated invoicing tools with more functionality for merchants — but for their target audience of small businesses, what they mostly needed from invoicing was simple transparency.

"This is an important step in delivering on our promise of democratizing commerce and leveling the playing field for small businesses," he noted.

Which means, de Geer said, after today's announcement, iZettle is back to pursuing their standard number one goal: growth. Growth in where they operate — and in the spectrum of services they offer to SMB partners.

Going forward, he noted, that expansion of services could include more advanced invoicing options like factoring — or into wholly new areas like offering credit and borrowing capacity to merchants.

"We want to continue to drive the market and continue to drive into new regions. And to develop the services our merchants do need. I think we have only scratched the surface of the things they are looking for."

http://www.pymnts.com/news/payment-methods/2017/izettle-goes-for-the-invoice/

Venmo reportedly tests a prepaid debit card

26/6/17

Venmo is reportedly testing a prepaid debit card that would enable the company's mobile app users to pay for goods and services at brick-and-mortar retailers using the funds stored in their Venmo account, according to a report from Recode.

Recode based its report on the public feeds of some Venmo employees that showed purchases from Chipotle and Taco Bell. Venmo enables its users to share purchases in the app's "news feed."

A Venmo spokesperson told Recode it "will continue to test, introduce and expand features that allow people to use Venmo to pay friends and shop. We have nothing to announce now."

https://www.mobilepaymentstoday.com/news/venmo-reportedly-tests-a-prepaid-debit-card/?utm_source=Email_marketing&utm_campaign=reviewMPT07012017134617&cmp=1&utm_medium=HTMLEmail

SafeCharge rolls out all-in-one API payments solution

27/6/17

The payments sector continues to be transformed and shaped by growth, pain points, and a shifting retail market. Amidst these changes, SafeCharge (LON: SCH) has unveiled a new API-based solution to cover a wide range marketplace needs, emphasizing the white label onboarding seller process and other utilities .

The London Summit 2017 is coming, get involved!

Safe Charge's new rollout of its Marketplace Manager will focus on a composite of payment needs simultaneously by leveraging its existing payment engine. The solution's launch coincides with an upcoming wave of new regulations that payment processors will be dealing with, including Europe's PSD2, which necessitate a payment institution license for specific handling functions.

Compliance needs in focus

Considering these needs, the solution will deal with issues of compliance, as its outsourced API will help assume all responsibility for all requisite payments regulation. As such, marketplaces will be relieved from KYC requirements at the onboarding state, ultimately mitigating complications of becoming a 'payments institute' as well as descoping their respective PCI compliance liability.

Moreover, the Marketplace Manager will shore up onboarding demands through access to SafeCharge's API – sellers will only be required to provide a minimum amount of information while the rest of the KYC information and selection of a pay-out option can be completed and postponed until a later stage. This development will aim to make this process more seamless, which has loomed as a potential deterrent historically.

Utilizing its singular API, Marketplace Manager will also address and curb any potential pain points for marketplaces. This will entail a focus on conversion and improved localized payment experience. In doing so, SafeCharge has also decided to deploy a Smart Payment Management, which allows for funds to be held in a segregated escrow account until the service is fulfilled.

David Avgi, Chief Executive Officer of SafeCharge, commented: "Marketplaces use a different model to traditional retailers that creates complexity and a plethora of challenges which the payment industry has been slow to recognize and address."

"Working closely with existing marketplace customers, we have painstakingly created a solution that addresses their major challenges head on, from operational control to regulatory compliance and bi-directional payments. A solution that allows marketplaces to meet complexity with simplicity, opacity with transparency and uncertainty with foresight," he added.

The development follows on the heels of a recent partnership with Chase last month, helping facilitate payments processing in the US. The deal helps SafeCharge's merchant customers benefit from card processing under US domestic conditions, shoring up acceptance and more optimized payments experiences.

https://www.financemagnates.com/fintech/payments/safecharge-rolls-one-api-payments-solution/

Discover finally catches on with Samsung Pay

27/6/17

Discover cardholders can now make payments in the U.S. using Samsung Pay on the latest Samsung Galaxy smartphones and wearables, according to a press release.

"The ability to use Samsung Pay provides Discover cardmembers with yet another innovative and convenient way to pay," Diane Offereins, Discover's president of payment services, said in a statement.

"As a growing number of consumers use their mobile devices to make every day purchases, we continue to expand our digital services so cardmembers have more choice in how they use their Discover cards."

"We're excited to give Discover cardmembers the opportunity to enjoy the benefits of a truly digital wallet," Nana Murugesan, vice president and general manager of service and new business at Samsung Electronics America, said in the release. "Now, Discover cardmembers can shop with the security and simplicity of Samsung Pay, by accessing their Discover card, right alongside membership cards, while enjoying nearby deals, and best of all, leaving bulky wallets at home."

https://www.mobilepaymentstoday.com/news/discover-finally-catches-on-with-samsung-pay/?utm_source=Email_marketing&utm_campaign=reviewMPT07012017134617&cmp=1&utm_medium=HTMLEmail

Old School vs. New School: How Artificial Intelligence is transforming cybersecurity

27/6/17

Cybersecurity companies saw a record number of funding deals last year and on a quarterly basis Q1'17 was the most active quarter for deals to private cybersecurity companies over the last five years.

Alongside overall rising investment activity, a number of cybersecurity companies are emerging to offer up novel solutions to age-old cyber threats by leveraging artificial intelligence (AI). According to CB Insights' AI Deals Tracker, cybersecurity is the fourth most active industry for deals to companies applying AI.

But how exactly does AI put these cybersecurity companies in a unique position within this rapidly evolving industry?

In the table below we detail four salient cyber threats facing our digital world today, and detail the shift in old-school approaches vs. new-school approaches that leverage AI. We also include notable cybersecurity startups using AI to address each threat.

Two unicorn companies valued at over $1B are included in the table below: the automated endpoint protection company Tanium, which utilizes AI-based Natural Language Processing (NLP), and the predictive intelligence company Cylance, which leverages machine learning algorithms.

AI in cybersecurity can be used to monitor activity on systems and networks in real-time, identify patterns and anomalies from internal and external data streams, speed up detection, free-up resources, enable faster remediation, and generally help improve continuous cyber resilience.

However, it is important to note that AI in cybersecurity is not necessarily a silver bullet solution. For example, non-malware attacks that require no software downloads, and disguise malicious activity within legitimate cloud services are on the rise, and AI is not yet capable of thwarting those types of network breaches.

CYBERSECURITY THREATS TABLE: OLD-SCHOOL VS. AI

CYBERSECURITY THREAT(S)	OLD-SCHOOL APPROACH	NEW-SCHOOL AI APPROACH	SELECT STARTUPS LEVERAGING AI APPRAOCH
Malware	- **Anti-virus etc. uses signature-based detection to flag attacks** - Covers known vulnerabilities	- **Pattern recognition and predictive analytics to thwart new attacks** - Can cover "zero-day" exploits	CYLANCE patternex SentinelOne
DDoS (Distributed Denial Of Service)	- **Analysts monitor network-traffic to spot an on-going DDoS attack** - Resource intensive, limited by human cognition, reactive	- **Algorithms auto-detect abnormal network-resource allocation** - Efficient analyst resources, automated, faster response	VECTRA ZENEDGE SHAPE SECURITY
IoT & Endpoints	- **Manual device-level security updates through the cloud** - Ad-hoc security, ineffective at scale	- **Network-level behavior-analytics and entity-anomaly-detection** - Real-time security, effective at scale	FORTSCALE TANIUM CUJO
Social Engineering	- **Education on digital hygiene and countering hackers' tactics** - Prone to human error	- **Education + social-biometrics and user-anomaly-detection** - Less prone to human error	BehavioSec RUBICA sqrrl

CBINSIGHTS

https://www.cbinsights.com/blog/cybersecurity-ai-startups-threat-trends/?utm_source=CB+Insights+Newsletter&utm_campaign=5db1fb630e-Top_Research_Briefs_7_1_2017&utm_medium=email&utm_term=0_9dc0513989-5db1fb630e-89035369

Personal Finance and Insurance are oversaturated. *Regtech* is the new opportunity

27/6/17

Rebecca Lynn of Canvas Ventures, Rick Yang of New Enterprise Associates, and Satya Patel of Homebrew discuss where the early-stage fintech opportunity is now.

Within the fintech realm, many startups have popped up in the areas of personal finance and insurance, and at this point the market is oversaturated. However, fintech startups developing creative, scalable systems for dealing with regulatory, fraud, and compliance issues may have some of the best runway for growth as they offer a way for established institutions to cope with the fast-changing financial landscape.

Additionally, startups innovating in the area of infrastructure such as Plaid, which allows fintech applications to connect with users' bank accounts, are also opportune for growth as they open a new gateway for further innovation by others.

Regulation isn't just a new opportunity for startups. It's also central to every fintech startup's pitch according to Patel. Patel likes to see companies educating regulatory bodies on their technology early on, so that they can "see where they can push the boundary."

https://www.cbinsights.com/blog/fintech-early-stage-investing-trends-future-of-fintech/?utm_source=CB+Insights+Newsletter&utm_campaign=5db1fb630e-Top_Research_Briefs_7_1_2017&utm_medium=email&utm_term=0_9dc0513989-5db1fb630e-89035369

Apple looks to challenge Venmo in P2P payments space

27/6/17

With Apple set to enter the P2P payments market, it faces strong competition from the current dominant player in the US, Venmo. Apple's best bet is to leverage its huge customer base to promote a secure and integrated P2P payments service. Story by Nicolae Bacila.

During its WWDC 2017 keynote address, Apple announced it is launching a P2P payments service. The feature will arrive on iOS 11 later this year and will enable users to transfer money through iMessages, and tell Siri to pay other people, using the credit and debit cards they have stored in the Apple Pay wallet. Transactions will be securely authenticated through Touch ID, and recipients will receive the transferred funds in Apple Pay Cash. This is a new prepaid account that lets consumers take the money they receive via the P2P service and use it to transfer funds to their bank account, or make Apple Pay purchases online and in physical stores.

The US P2P payments space has witnessed significant expansion and is estimated to exceed $200bn in value by 2020, according to *Let's Talk Payments* research. It is therefore unsurprising that Apple wants a share. However, one competitor looms large over the market.

Apple may struggle to overcome Venmo

Venmo (owned by PayPal) had first-mover advantage, which allowed it to become the dominant P2P payment service, especially among younger demographics. 60% of US consumers that have chosen Venmo are aged 25-34, 20% are 18-24, and 20% are 35-44, as per GlobalData P2P Payments Analytics 2016. In terms of appealing to younger consumers who don't have a bank account, Apple may struggle to overcome Venmo.

Meanwhile, Apple's P2P payments service will only be available to iOS devices, whereas Venmo enjoys the benefit of a cross-platform service that's also available on Android devices. Both services require consumers to manage a prepaid account as well as their card or bank accounts, meaning Apple cannot claim to provide a simpler service than Venmo.

Instead, Apple's competitive advantages will most likely stem from Apple Pay's popularity. In 2016, there were 45 million Apple Pay users in the US, and this number is forecast to reach 86 million by the end of 2017, according to Juniper. Additionally, Apple Pay will be available at half of all US retailers by the end of 2017, providing strong retailer integration for its mobile payment service.

Apple's P2P service is a late response to Venmo's successful offering, and doesn't offer anything beyond its capabilities. Yet, Apple may still be able to challenge Venmo's dominance by taking advantage of its pre-existing customer base to promote a secure and integrated P2P payments service.

https://banknxt.com/61071/apple-pay-venmo-p2p/

Payscout debuts VR commerce

27/6/17

US processor Payscout has released an app which enables users to make payments for physical products in virtual reality via Google's Cardboard view finder. Payscout VR Commerce features an integration with Visa Checkout (VCO), which allows users to register payment credentials within the digital wallet.

“This is a watershed moment in payments and VR,” says Payscout CEO Cleveland Brown, who announced the app during a panel on the monetisation of immersive content at Money20/20 EU. “We’ve seen many prototypes and simulations of VR shopping, but this is the first time anyone can experience real commerce in VR.”

Each member of the audience at the Money20/20 EU panel received a Google Cardboard boc displaying an immersive shopping trip around the site of Californian e-retailer Body Language Sportswear.

Once in the store, consumers can explore products interactively by rotating items, enlarging, and/or viewing in greater detail. The Payscout VR Commerce app also includes a menu-driven checkout, which confirms the user’s purchase and incorporates the payment credentials and shipping details residing on the phone’s digital wallet.

The Payscout VR Commerce app for Google Cardboard is now available in the Google Play Store, and the technology will be adapted for iOS and additional VR platforms soon, says the company.

https://www.finextra.com/newsarticle/30746/payscout-debuts-vr-commerce/mobile

Bridging Blockchain's comprehension gap

27/6/17

Bitcoin — and the technology that enables it — has certainly had a rather fast trip from obscurity to mainstream awareness. In January 2009, the so-called "Genesis Block" came into existence to the delight of an extremely small but very passionate cadre of cyber currency enthusiasts.

In the 8.5 intervening years, bitcoin and the blockchain technology that enables it hasn't quite gone mainstream. Your grandmother probably does not have her own wallet, but financial services professionals are aware of bitcoin.

And, to WEX's recently released First Annual "Payments Pulse" Survey, it is a subject that is increasingly on the minds of CFOs around the United States, as they are looking broadly for more innovative and streamlined payments technologies.

For this week's Data Drivers, Karen Webster dug into B2B payments changing the relationship with blockchain with WEX's SVP of Corporate Payments Bob Sneed and Director of Vendor Enablement Mo Brown.

The key numbers this week are 66 percent, 50 percent and 35 percent.

Good News: 2/3 of CFOs Are Now Very Confident They Understand the Blockchain

The less than good news? Only about six of 500 CFOs surveyed for the report could think of any actual uses they specifically had for the blockchain. So, they know what it is — they get it; they just aren't sure what exactly they should be doing with it.

So, is this a case of a bit too much hype confusing the story, Webster asked, since there is a tendency to hype the blockchain as the be-all and end-all of payments solutions?

Part of it, Brown noted, is hype, since at this point no one really knows what bitcoin and the blockchain's ultimate future in the payments ecosystem will be. But, he notes, the interest speaks to the bigger picture issue, which is that CFOs across the board are looking to fill gaps in areas of their businesses, like international payments, where inefficiency abounds.

"This is about more than the payment — though buyers and suppliers want to pay a vendor in Hong Kong to be as easy as paying a vendor in Wisconsin. But this is also about the information transmitted between a buyer and a supplier."

And, Sneed noted, this is also about trust. Though CFOs are increasingly aware of the blockchain as a method for moving funds and information, that doesn't necessarily mean the trust is there to start incorporating it.

"Even though there is a ton of bitcoin money now, there's no trust there. There needs to be an infrastructure set up that is trustworthy. It doesn't matter what form of digital blockchain-enabled coin it is. It needs to be something that is internationally recognized and trusted as currency."

Which, Webster remarked, is anything but bitcoin.

But trust — and infrastructure — take time to build. Which is why the second data point may be a bit … optimistic.

50 Percent of CFOs Expect the Blockchain Will Change How Accounts Payable Operates in the Next Year

Webster noted that for a group of people who mostly can't think of a practical application for the blockchain, CFOs sure are optimistic about how soon it will change their business.

And, Sneed noted, that level of enthusiasm for change is unsurprising given the costs and fees associated with international payments.

"That changing the structure of those payments is a subject near and dear to their hearts is no surprise," Sneed noted. "That said, I don't see it happening in six to 12 months."

The question and answer itself, Brown and Sneed noted, is very telling, because it shows a hunger among CFOs to take accounts payable from a stagnant function in the organization and really begin boosting efficiency and possibly creating new monetization streams.

Then, is it, Webster posited, a call for help to problems that these CFOs don't exactly see existing solutions providing?

"This does suggest a call to action," Brown told Webster, though the action is not necessarily to run out and build a blockchain-based solution as the catch-all for merchants.

"Any time a CFO is looking at different things that are coming quickly into the market, they need to be totally sure that an organization has a solid foundation to support those changes. When they want to do new things with accounts payable, we, as solutions providers, need to be prepared for the blockchain as we need to be prepared for anything that is coming forward."

Which leads to the final data point — about who it is the merchant customer trusts at this point.

39 Percent of Respondents Expect Processors to Lead Payments Disruption

The blockchain is one of many innovations that vendors can pursue — and a surplus of options can be a bigger challenge than a drought. Which, Brown noted, is why WEX's relationship has evolved toward consulting and toward keeping their partners not just up on what can happen in payments, but also what is worth pursuing — and what isn't.

"It's our job to be up on things that are going to work, and what are the purple squirrels. Sometimes you don't know what the purple squirrels are until you've done your research."

Research, he noted, that often involves small batching testing and piloting — so that the ideas that can and will scale up go forward, and the purple squirrels can return to the wild.

"We built our system so that it is able to handle different payment modalities as they came up. A few years ago, that was limited to the check, ACH and virtual cards."

These days, the options have proliferated, and what WEX offers is building the right foundation so that other payments modalities slot right in, and in accordance with customer's needs.

"What it underscores," Sneed told Webster, "is a need to be closer to the customer and understand what they need and want to accomplish and then accelerate delivery of a solution to the market."

The blockchain could be something that delivers value as a solution — especially those hit hard by fees. It won't be fast; both men agree this is going to take "a bit of time," as international payments rails aren't the kind of things that go up overnight.

"Over time I think you will see … buyers and suppliers are going to get together and work this out when it comes to using the blockchain. If that happens, and they can say, 'Look this worked,' I think then you will see talk of building a blockchain supplier network."

But the point isn't making it go up overnight, WEX said. The point is being the trustworthy player that can slot in the blockchain whenever that supplier network is ready to go online.

So even CFOs don't know today quite how they want to use the blockchain. The good news is they have much more than a year to think about it — and lots of other infrastructure to build in the meantime.

http://www.pymnts.com/data-drivers/2017/wex-execs-talk-cfos-bridging-the-blockchain-comprehension-gap/

Moneymailme partners with Prepaid Financial Services to launch virtual and physical cards

28/6/17

Social money transfer app Moneymailme has partnered with Prepaid Financial Services to provide Moneymailme users with access to virtual and physical cards. The announcement was made at Money 20/20 Europe, Europe's largest fintech event.

All Moneymailme cards will have multiple currency wallets linked to them so that when cardholders make a transaction, the money will be debited from the matching currency wallet rather than a traditional base currency card.

"The new cards will provide a valuable spending tool for new and existing Moneymailme users and will be a great option for those wanting to make payments with the money they have in their Moneymailme e-wallets" said Mihai Ivascu, Moneymailme Founder & CEO of Moneymailme during a press conference at Money 20/20 Europe in Copenhagen. He added, "With the removal of all deposit fees for users and the introduction of cards we are enabling users to move their money more freely."

PFS Commercial Director Lee Britton said: "PFS is delighted to have been chosen to partner with Moneymailme. The Moneymailme proposition will completely change the way social payments are made; the innovative approach and outstanding technology platform has enabled Moneymailme to lead the way. The launch of Moneymailme with PFS today as an important step in enabling social payments to meet the needs and wants of customers globally."

Research from Moneymailme highlighted the market potential for e-money transfers and card usage, finding that 48% of 18-25 year olds believe that cash will be obsolete within 20 years. Similarly, almost a quarter of this age group said they wouldn't consider making a bank transfer to friends or family for under £10.

https://www.finextra.com/pressarticle/69862/moneymailme-partners-with-prepaid-financial-services-to-launch-virtual-and-physical-cards?utm_medium=dailynewsletter&utm_source=2017-6-29

Australia's DiviPay launches mobile shared accounts with virtual Mastercard

28/6/17

DiviPay, an Australian fintech startup has launched a mobile app that allows groups to split the cost of any transaction. DiviPay issues each group their own unique virtual card which can be used to split the cost of a purchase both online and instore.

The ability to pay as a group means no one must cover the cost and hassle their friends for repayment, rather the payment is split between the group members in real time. Each person in the group can simply and easily pay their share of the total bill eliminating the need for an IOU, ATM or bank transfer. Everyone walks away knowing they paid their fair share and not feeling the pressure of owing money, or worst, having to try and recover it.

"Through our customer research we found that as time elapses so does the likelihood of recovering the funds. The owing party becomes more averse to repaying their debt as the utility of the transaction declines, simply they can no longer associate the cost of a purchase to the tangible benefit they received weeks or months earlier. Coupled with the fact that we can now hide awkward conversations about recovering money behind technology it is to no surprise that the average Australian is owed $707, with only a 50% chance of ever recovering the funds. DiviPay alleviates this pain point allowing groups to pay together at the point of purchase." Says founder and CEO Daniel Kniaz

Groups can be created for both single, or reoccurring purchases. From download to splitting costs with friends takes less than 60 seconds. A user downloads the app, links their card or bank account to the platform, creates a group and invites friends via their phones contact list, adds their portion of the expense to the group, makes a payment to the merchant using the virtual card by tapping their phone on the payment terminal or entering the virtual card numbers at an online checkout.

The social nature of group payments has meant DiviPay is benefiting from a viral effect. Each person who signs up to the service generally refers 2-3 new users onto the platform. By solving a problem for early users DiviPay has turned them into great advocates and is currently working on ways to accelerate this word of mouth growth into the future.

DiviPay is focusing on driving the concept of 'instant shared accounts'. DiviPay is a very easy way to enter a shared account scenario, one that hasn't been accessible in the past via traditional banks. "After running a pilot, we discovered our most prolific user group were 'young couples' those not quite ready to commit to a traditional joint bank account but have a lot of shared expenses" says Daniel

DiviPay differentiates from its competitors by facilitating the split payment in real time and through their use of virtual card technology, allowing their solution to be accepted anywhere, anytime. "Traditional bill splitting applications have been limited to Point of Sale integration with the merchant. By using a virtual

card, groups can make payments to any merchant both instore and online. This creates complete ubiquity and as a result our users can split purchases as varied as groceries with housemates, dinner with friends, and flights and accommodation for upcoming trips" says Daniel.

DiviPay has launched their online only component and is set to release their mobile payments capability later this year, allowing customer to make split payments in-store via NFC technology embedded within the user's phone.

https://www.finextra.com/pressarticle/69863/australias-divipay-launches-mobile-shared-accounts-with-virtual-mastercard?utm_medium=dailynewsletter&utm_source=2017-6-29

InvestCloud to open London fintech incubator

28/6/17

California-based InvestCloud is opening a fintech incubator and accelerator in London, inviting firms to take advantage of its platform in developing digital wealth management tools. With Brexit clouds still looming, the move has been welcomed by deputy mayor of London Rajesh Agrawa, who says it is a sign that "London is open for business and innovation".

The 9,000-square foot SoHo hub - opening this Summer - will follow the model of InvestCloud's LA technology centre, providing a space for teams from banks, wealth managers and early-stage fintech startups to undertake 'residences' to accelerate the development of new digital efforts.

Members will have access to their own InvestCloud Sandbox with more than 200 financial apps, over 2,000 APIs, integrated market data, news, financial and accounting data, and a document repository.

The Sandbox also provides members with InvestCloud mentors offering guidance on funding, design, build, sales and marketing, distribution and production support.

John Wise, InvestCloud's Brit co-founder and CEO, says: "It's no secret that the financial services industry is behind the curve when it comes to digital. Many projects cost millions only to be scrapped, and the failure rates for startups are incredibly high.

"InvestCloud's Innovation Centres ensure success for these projects - allowing teams to innovate and ideate quickly, drawing on the experience of the Innovation Centre team and the wealth of capability within the InvestCloud app library."

https://www.finextra.com/newsarticle/30758/investcloud-to-open-london-fintech-incubator?utm_medium=dailynewsletter&utm_source=2017-6-29

'End poverty, restore trust': World Bank dives into Blockchain with lab launch

28/6/17

The world's largest multilateral development bank is launching a blockchain lab as part of a bid to pilot projects that can improve governance and social outcomes in the developing world.

The World Bank, based in Washington, DC, officially launched the venue Tuesday morning to serve as a forum for learning, experimentation and collaboration on distributed ledger technology. The blockchain lab will now seek to bring together internal and external participants to work on blockchain use cases of significance to the bank's more than 80 client countries.

Core focus areas will include land registry, digital identity, aid distribution and financial infrastructure.
Trust and poverty

At the event launch, Denis Robitaille, vice president and chief information officer of the World Bank's technology division, said that the lab's objective is to explore and build with its non-profit and technology partners, and to produce proofs-of-concept that can then be rolled out in the field.

The lab will focus on empowering the bank to be a thought leader in the space as more countries explore blockchain solutions. It has been set out to do this through facilitating greater understanding of the technology itself, as well as its accompanying security, legal and policy implications.

These pillars, bank officials emphasized, are critical to the World Bank's mission of eliminating extreme poverty and raising living standards worldwide.

The institution is also viewing blockchain as a potential vehicle for building and restoring trust in institutions, which has fallen precipitously around the world in recent years. New research by Edelman recently found that only 15% of people trust the systems in their countries to work for them, and that trust across every sector declined for the first time ever in 2016.

Sebastian Molineus, director of the World Bank's finance and markets global practice, argued that blockchain's true potential is not just in individual use cases, such as payment facilitation, but in rewiring the entire financial infrastructure of developing countries

Project origins

According to Molineus, the impetus for the lab was organic demand among bank staff, client countries and stakeholders, as well as the rapid exploration of DLT by other multilateral institutions like the United Nations.

"One of the surprises was how often private sector banking clients are asking for more information, more guidance and more 'mind partners' as they think about how to deploy this technology in their areas," said Susan Starnes, head of supply, trade and supply chain solutions at the International Finance Corporation, a division of the World Bank.

Bank officials also emphasized that they believe there is ample potential in using the technology to improve transparency and streamline procedures within the institution itself.

"What really struck me is that we can now track every single dollar that our development partners are giving to members," said Molineus.

He went on to emphasize that such increased efficiency and transparency in project lending could dramatically improve project outcomes.

Arunma Oteh, the bank's vice president and treasurer, said that using blockchain as a structured finance vehicle could allow the bank to issue debt and raise funds more cheaply on capital markets, and therefore enable it to issue project loans to developing countries at lower rates.

Understanding the risks

However, the bank is also keen to understand the potential challenges and pitfalls associated with blockchain.

Randeep Sudan, a digital strategy and government analytics advisor at the World Bank, called for a tempered approach to blockchain, stating that the potential benefits must be embraced with an accurate grasp of the risks.

He remarked that environmental and energy consumption issues must be considered, as the World Bank is highly sensitive to climate change and environmental aspects.

Sudan noted, for example, the electricity uses that bitcoin mining, the process by which the protocol verifies transactions and rewards participants, requires, stating:

Sudan also pointed to other concerns, such as the consumer's "right to be forgotten", which has been legislated in the European Union, and the potential development of quantum computing in the future that could break modern cryptography.

Starnes emphasized that the technology must be accompanied by proper understanding, training and value systems for its full potential as a development tool to be realized

http://www.coindesk.com/end-poverty-restore-trust-world-bank-dives-into-blockchain-with-lab-launch/?utm_medium=email&utm_source=fintechweeklycom

Global Debt Registry develops blockchain based proof of concept for online lending

28/6/17

Loan data specialist Global Debt Registry has completed a proof-of-concept that utilizes the blockchain to provide investors with an immutable audit trail and a single source of core loan data.

The firm's inaugural blockchain proof-of-concept (POC) lays the groundwork for providing investors and senior lenders in the online lending space with a safe and secure way to confirm loan ownership and collateral interests across companies within the ecosystem, GDR said.

In developing the blockchain POC, GDR worked with three leading blockchain platforms - Hyperledger, Ethereum and Chain. The firm has also been participating in strategy development with the Wall Street Blockchain Alliance and Structured Finance Industry Group (SFIG) Blockchain Task Force, two organizations committed to increasing industry adoption of distributed ledger technology across financial markets.

The company's blockchain efforts come as the firm's partnership network has expanded, adding industry leaders TransUnion, Equifax, IDAnalytics, Avant and Prosper in recent months.

"We are excited to be driving the technological innovation of blockchain, bringing new value to the world of online lending," said Charlie Moore, president of GDR. "By harnessing blockchain capabilities and applying them to our collateral pledge management and asset validation tools, we are able to deliver new levels of confidence and certitude to our partners in the investor ecosystem."

"We see the real value of blockchain, and it's much more than a buzzword or an industry trend," said Robert Brown, Chief Technology Officer, GDR. "Blockchain technology is ideally suited to the set of solutions we offer – it enables our clients to have an immutable, consistent view of the state of a loan across its entire lifetime, thereby increasing trust and certainty around lending activity.

Backed by a $5 billion private equity firm and led by a team of senior executives from Thomson Reuters, Bank of America, and Barclays, New York-based GDR utilizes cutting-edge technology to provide independent asset certainty and validation services across entire portfolios of loans in real time. The company's asset certainty tools require no technology investment, using existing data structures and processes to streamline the flow of information from the lender to the investor.

http://www.finalternatives.com/node/35426?mc_cid=149e7dda06&mc_eid=09a5b83d03

San Francisco's dLocal launches Marketplace Payments for emerging markets

28/6/17

San Francisco-based dLocal, a fintech company that specializes in cross-border payments for emerging markets, announced it has launched Marketplace Payments, a new payments product designed specifically for marketplaces whose buyers or sellers are based in emerging markets.

DealeXtreme and LightInTheBox are the first two global marketplace companies to add dLocal's new plug-and-play product to their payments suite, enabling them to easily accept all the local payment methods in Latin America with just one click, according to a press release.

DLocal said that the Marketplace Payments enables companies to more easily enable their sellers to expand their reach into high-growth emerging markets in Latin America where e-commerce and mobile commerce use is on the rise, but penetration of international credit cards is low. With just one click, marketplace sellers can add over 200 locally relevant payment methods into their check-out flows and immediately start selling online to local customers, according to the release.

"Payments in emerging markets are fragmented and complex, and large marketplaces that sell online services face challenges providing a simple, yet comprehensive payment solution to their sellers," Sebastian Kanovich, dLocal CEO, said in the release. "We aim to make mass payments in emerging markets a better process, and are excited to continue making e-commerce a truly global experience by leveling the playing field for consumers and businesses in emerging markets."

https://www.mobilepaymentstoday.com/news/san-franciscos-dlocal-launches-marketplace-payments-for-emerging-markets/

Nanopay launches retail payment platform as part of MintChip ecosystem

28/6/17

Toronto-based nanopay, a real-time payments platform, announced the launch of its self-service MintChip Retail Payment Platform.

The MintChip Retail Payment Platform, which is available across Canada, includes both the MintChip Merchant app and the Mintchip mobile app for consumers. The platform allows merchants to accept digital cash in Canadian dollars, a capability that nanopay says delivers "all the benefits of traditional cash at a fraction of the cost of existing payment options."

nanopay said that because it is creating a "digital representation" of the Canadian dollar, it can prevent counterfeit bills or charge-backs.

The platform is also available to global partners looking to create white-labeled retail closed loop payment systems. The system can be tied to the central bank currency of any country, or linked to a new or existing loyalty currency.

"Since acquiring MintChip from the Royal Canadian Mint, we have focused on enhancing the security, performance and scalability of our core nanopay platform," said Laurence Cooke, CEO and founder of nanopay. "While today marks a milestone for the MintChip ecosystem in Canada, we are excited that partners can create custom retail payment systems that bring frictionless payments through digital cash to countries around the world."

In addition to the MintChip retail payment platform, nanopay will offer a suite of services for cross-border payments to allow users to transfer funds in multiple currencies. The company also has a B2B payment network solution, which enables businesses to send payment requests to pay partners with transparency and context.

To target capital markets, nanopay's technology integrates digital cash into bank's back-end systems to reduce clearing and settlement costs.

nanoPay, which raised a $10 million Series A in October 2016, said through the MintChip payment platform, merchants will be able to use Ingenico payment terminals from Global Payments or as a standalone installation.

Merchants can also access a retail portal, which allows them to provide payment terminals, view transaction reports, and manage cash deposits to their bank accounts.

The launch of nanopay's MintChip retail payment platform comes over a year after nanoPay acquired MintChip, a digital currency created by the Royal Canadian Mint.

nanopay isn't the only Canadian company that is racing to dominate the merchant payments space. In April, Shopify announced a new self-designed chip and card reader, which allows customers to save their shopping and credit card information to reduce the amount of time it takes to purchase with Shopify Merchants.

http://betakit.com/nanopay-launches-retail-payment-platform-as-part-of-mintchip-ecosystem-expansion/

Banks are missing the point — Alternative Lending is about more than user experience

28/6/17

Alternative lenders say there is little to fear from the potential of incumbent banks and big tech companies entering the space.

Alternative lending platforms deliver an automated end-to-end loan experience from application and origination to underwriting and servicing. Essentially, these kinds of companies sit at the intersection of tech and traditional banking, and increasingly they face potential threats from both big tech companies like Google or Amazon, as well as incumbent banks.

But according to those in the space, there is little to fear.

"Instead of looking at the holistic lending solution from underwriting to servicing the loan, banks are after a front-end solution for on-boarding new borrowers, and that's only part of the solution," says Howard Katzenberg, CFO of alternative small-business lending platform On Deck, speaking at CB Insights' Future of Fintech conference. "At the same time, banks are still waiting to see what happens with companies like ours before partnering and moving in to the space full-on."

Katzenberg was joined on the State of Alternative Lending panel by Sameer Gulati, the COO of online lending marketplace Lending Club, and Kathryn Petralia, the co-founder & head of operations at Kabbage, which automates the underwriting process for small-business loans, in a conversation moderated by Peter Rudegeair of the Wall Street Journal.

Big tech might in fact be an opportunity for some of these alternative lending startups.

Gulati noted the potential to partner with big players especially tech companies entering the space. "It is an endorsement of what is possible and could expand the addressable market for everyone. We can provide the financial services expertise and partner on the tech side, which is more promising than partnering with traditional banks that are focused on making headway from a user-experience perspective."

"It is hard to serve small businesses with capital and underwriting in an efficient way without using tech and automation to do it," Petralia said. "We are able to serve customers across larger segments and as the larger players get better on the user experience it will push us all to be better."

Panel participants noted that alternative lending is still a nascent space with plenty of room to grow and stake out market share. ” We are still finding out how consumers will behave around this particular product and we are still in the early innings,” Gulati said.

https://www.cbinsights.com/blog/alternative-lending-startups-big-tech-banks-competition/?utm_source=CB+Insights+Newsletter&utm_campaign=5db1fb630e-Top_Research_Briefs_7_1_2017&utm_medium=email&utm_term=0_9dc0513989-5db1fb630e-89035369

Mastercard's bid to reinvent mPOS

28/6/17

"The biggest challenge we face as a commerce ecosystem is to drive value on both sides — that's where you need both hands clapping in sync. That increasingly means enabling smaller players in the system that are reticent to becoming digitized at the point of sale.

That was James Hicks, EVP Global Acceptance and Solutions at Mastercard, explaining why Mastercard has invested so much time and energy into rethinking how to get these smaller players on board — and moving from cash to digital payments. Particularly when the smallest of the smallest merchants are concentrated in developing markets

The potential value is there for any merchant, Hicks noted, since digital payments are a tool that can "drive success" — and for the obvious reasons.

What's different, he said, are the obstacles that must be overcome to get the smaller merchants fully engaged. "What every small business we talk to says is their biggest concerns are cost and complexity," he said, regardless of whether they operate in developed or developing markets, he added.

Easy, Safe and Ubiquitous

The problem seems to start and end at the point of sale — and the costs associated with becoming a merchant and buying POS devices. If they get past that, small and micro merchants worry that they will have to master learning an expensive new hardware system. "We asked ourselves, 'What will really solve the problem?'" said Hicks. "And that's when it clicked. What if we could enable merchants to accept payments without having to buy peripherals — really turning the mobile phone itself into the mobile point of sale?"

This mobile phone as point-of-sale solution is being exploring through a variety of pilots around the world. In the U.K. and Poland, for example, Mastercard is working with Worldpay and local partners so that consumers can make contactless payments (via a mobile device or NFC-powered contactless card) by tapping their contactless card or smartphone (using a digital wallet, e.g. Masterpass) on the merchant's device, which is able to accept payments that way once they download the Worldpay app, which sets up their merchant accounts and enables acceptance on their smartphone. It can't get easier than this," Hicks noted.

But the solution, he said, can't just be easy for consumers — it also must be secure. Hicks said that one of the objectives of the various pilots around the world is testing how easy and secure these solutions are to use — for both consumers and merchants. The pilots are seeing what we can do to check off easy, safe and then we get into can it be ubiquitous. If we can solve for the first two things, can we believe in a market where this could be ubiquitous? Can we commercialize it or monetize it — and are there industry standards that need to be created around it?"

It's three very big hurdles, Hicks noted — and nothing that can be cleared in a single bound. But the race is engaging nonetheless, because the potential rewards can't be ignored.

The "Huge Prize"

All small businesses are in some sense large businesses that haven't grown all the way up yet, Hicks said. The ability to switch on payments with nothing but a phone creates a world of rewards for all parts of the commerce ecosystem.

"The prize is huge. Today we are focused on the payment component — but … going forward, a whole world of capabilities can reside besides that," Hicks emphasized.

For merchants in emerging economies, he said, it's also the beginning of being included in a mature financial services and payments market. For those in mature markets, it's an important first step in getting the benefits of accepting digital payments.

Devices aren't going away, Hicks emphasized, and Mastercard's solution is one that helps those small businesses waiting to grow up and grow into more sophisticated POS solutions that come with dedicated hardware. But, Hicks said, software can be that bridge helping small merchants make big inroads in a world that is become more digital every day.

"When you look at these programs around the world, we are continually expanding our market and brand to match a commerce environment where the channels are merging. We want to [help] merchants — especially the small merchants — to meet their customers any place they want to do business.

http://www.pymnts.com/mastercard/2017/evp-james-hicks-talks-mastercards-bid-to-reinvent-mpos/

Denmark, Singapore regulatory bodies unite on fintech cooperation

29/6/17

The Monetary Authority of Singapore and the Danish Financial Supervisory Authority have signed a fintech cooperation agreement which aims to help fintech companies in Singapore and Denmark to expand into each other's markets, according to a press release.

Representatives from both parties signed the agreement this past week at the Money 20/20 Europe conference in Copenhagen.

The agreement will enable both regulators to refer fintech companies to their counterparts. Both parties have also committed to exploring joint innovation projects together and to share information on emerging market trends and their impact on regulation.

https://www.mobilepaymentstoday.com/news/denmark-singapore-regulatory-bodies-unite-on-fintech-cooperation/?utm_source=Email_marketing&utm_campaign=reviewMPT07012017134617&cmp=1&utm_medium=HTMLEmail

Rise in online and mobile shopping drives card fraud transactions to new high

29/6/17

European card fraud losses hit a record €1.8bn in 2016, with the UK seeing the highest losses at £618m, as criminals took advantage of a boom in CNP-based online and mobile shopping. The nine percent rise in UK card fraud over 2015, topped the previous peak set in 2008 after the introduction of chip and PIN.

The figures, detailed in an interactive map of European card fraud produced by Fico and Euromonitor, show that card not present (CNP) fraud across European markets has gone from 50% of gross fraud losses in 2008 to 70% in 2016. Ten countries saw an increase in fraud losses, while eight saw a decrease.

In 2015 the UK's card fraud rise was the highest in Europe, but in 2016 two countries saw higher rises — Poland (+10%) and Sweden (+18%t). The UK's rise from 2015 to 2016 was just half of that from 2014 to 2015.

France had the highest basis points at 8.9 (ratio of fraud losses to sales) among the 19 European countries, compared to seven basis points for the UK. However, French card spending is half that in UK, making UK losses much greater. Together, the UK and France account for 73% of the total loses among the 19 countries in 2016, followed by Germany, Spain, Russia, Italy and Sweden.

Fico, which has amassed a total of 70 patents in artificial intelligence and machine learning, talks up the benefits of AI in spotting anomalies without putting friction into the transaction.

"It's no longer just about identifying patterns that are unusual for the customer — we're also looking at anomalies at the mobile device, IP address and merchant level," says Scott Zoldi, FICO chief analytics officer. "All of these have 'behaviors' just as individuals do."

https://www.finextra.com/newsarticle/30764/rise-in-online-and-mobile-shopping-drives-card-fraud-transactions-to-new-high?utm_medium=dailynewsletter&utm_source=2017-6-30

Danske Bank develops pocket money app

30/6/17

Danske Bank has released a parent-controlled pocket money app and card for 8-12 year olds. Using the tool, kids can see when their pocket money is paid into their account and how their savings develop, while parents can use their mobile banking app to transfer money and keep an eye on their child's spending. Children can use the pocket money card to withdraw cash from an ATM or for spending in stores and online.

Thomas Mitchell, head of personal banking Denmark at Danske Bank, says: "Many of our customers have requested an easier way of handling pocket money. Parents want to transfer money digitally and to monitor their children's spending. Many also look for a tool that allows their children to check their pocket money in the bank and to spend the money in the real world. We have developed a user-friendly app and a pocket money card, so that children can safely practice managing their finances, with the parents watching from the sidelines."

A YouGov survey of 1000 parents commissioned by the bank found that one-in-two primarily give their children pocket money to make them financially responsible or to teach them that you must work in return for a financial reward.

"As a bank, we want to help make children financially responsible, so that they develop a good sense of finances, hopefully enabling them to make healthy financial decisions later in life," says Mitchell. "We think Pocket Money is a good opportunity to begin the important conversation about the value of money and the importance of saving."

https://www.finextra.com/newsarticle/30768/danske-bank-develops-pocket-money-app?utm_medium=newsflash&utm_source=2017-6-30

LA joins fintech fray through digital money conference

30/6/17

Los Angeles is looking to jump aboard the multi-billion dollar fintech train through its first professional financial technology conference. The fintech industry has seen explosive growth over the last couple of year, with global VC investment hitting $17.4 billion in 2016.

In North America, tech hub Silicon Valley and financial centre New York dominate the scene, although other cities, including Toronto, Chicago and Charlotte, have recently begun establishing themselves.

Now LA, more normally associated with showbiz, is hoping to grab a slice of the fintech pie with its first major fintech conference, The State of Digital Money, arriving next month.

Blockchain and cryptocurrency will feature heavily, with Ethereum even being offered as a payment option.

https://www.finextra.com/newsarticle/30774/la-joins-fintech-fray-through-digital-money-conference?utm_medium=newsflash&utm_source=2017-6-30

Chain CEO on why B2B payments needs blockchain

30/6/17

The blockchain has a bit of an identity crisis. Everyone who is anyone in financial services knows what it is, and there is broad consensus at this point that it will play a very important role in financial services. Yet few can really articulate how it all works or what exactly it will do — and when.
Here's a little proof.

According to WEX's First Annual Payments Pulse Survey, 66 percent of the 500 CFOs interviewed say that they are quite certain that they understand blockchain; 50 percent think it is going to change the way they pay other businesses; 38 percent believe it will be the catalyst for massive innovation and only 6 have any real thoughts on how they might specifically use the blockchain. Not 6 percent — that would be 30 people with concrete ideas — we mean six CFOs in total.

And while it might be tempting to poke fun at those confident, if somewhat confused, CFOs**,** Adam Ludwin, co-founder & CEO **at** Chain, told Karen Webster that they are pretty much in the same boat as everyone else when it comes to the blockchain.

"No one knows how it works. They just don't. And mostly because there is no 'it,'" Ludwin said.

Ludwin told Karen Webster in a recent conversation that saying you understand the blockchain is like saying you understand the internet. A person could mean they understand how DNS works, they might be extolling their knowledge of servers, they might just be bragging at how good they are at using Google. "And it's worse than that with the blockchain because there are many blockchain protocols and standards and initiatives. Things that run the gamut from being variations on existing database technologies to things that are really sci-fi and exciting but very different than anything that is out there right now," he explained.

The crux of the problem, Ludwin said, is that the blockchain has been around for a while, and it's a business faux pas to admit to not knowing what the blockchain is.

"So, everyone must say that they get it, when, in reality, no one does."

And that can make the blockchain a bit scary, particularly when combined with the fact that its most well-known and famous application is bitcoin — the international cybercriminals' currency of choice. Given the lack of comprehension and its status as the unregulated cryptocurrency of the lawless, the blockchain has a significant barrier to overcome in the world of financial services, noted Karen Webster. It's a seemingly scary way to send trillions of dollars zipping all over the world.

But one, Ludwin noted, that the world needs to get ready for nonetheless, because as a technology, it simply outpaces what exists today.

"I don't want to sound like too much of a futurist, but I think it is inevitable at this point that cryptographic networks — blockchains, shared ledgers, whatever it may end up being called — in one form or another will become the basic underpinning of how the financial system works. I don't know if anyone can predict the how or the timeline, but having spent years in the existing systems and building new ones, the contrast is so sharp when it comes to the security level and the speed that it has to happen."

But, he noted, must happen is a long timeline — and some other things must happen first.

Back to the Basics

An oft-overlooked step, Ludwin said, in getting up-to-speed about what the power and potential of a blockchain world might be, is the part where one learns about the origins of the idea.

"The best one can do and should do is read and study … the original Satoshi bitcoin whitepaper and master that. If you really understand the mechanics and interlocking parts … then and only then should you start looking at other things: permissions, enterprise and smart contracts. If you want to learn calculous, you have to understand algebra first. If you want to understand master level blockchain, step one is basic bitcoin."

Also, important, he added, is resisting the tendency to attempt to boil the ocean in response to an emerging technology form. Throwing technology at the financial services world because one can doesn't make sense — the history of financial innovation isn't about finding solutions and reverse engineering a problem to solve. The problem, the friction and the pain point generally come first, and new tools like the blockchain enter the market not to replace systems that are working, but to fill in the spot where they aren't.

In other words, don't just show up to a bank and tell them that they need blockchain because it's the blockchain.

The Move on a New Market

Banks, Ludwin said, are looking for better products to offer their clients when sending money from one business to another cross border. Corporate clients are frustrated with the costs, the (lack of) speed and (lack of) transparency associated with sending money internationally.

Banks, themselves, may also be a little skittish in the wake of the SWIFT/Bangladesh heist. Ludwin said that the correspondent banks have begun pulling back from correspondent banking because of the increasing regulatory burden of being an intermediary bank.

All that said, the commercial payment markets are a big opportunity worth solving for — a market worth roughly $200 billion a year in potential revenue, not to mention trillions of dollars in transaction volume. Historically, it has been a market that the card networks have avoided, Ludwin noted — not because they don't like having more volume on their rails, but because the form factor of the card number and the

underlying infrastructure and business model of the card networks weren't easily compatible with the ways in which corporate payments are done.

And that's where a different network architecture, the blockchain, on top of existing payments rails, could offer all parties the best of all worlds.

A Good Cooperator

What Ludwin says separates Chain from rival firms like Ripple is that Chain wants to build the network solutions with blockchain in cooperation with existing payments rails — rather than in competition with them.

"Our point of view is if you already have 17,000 banks in your network and you have global settlement infrastructure and a trusted platform that has the permissions and regulatory licensing, you need to be able to launch new products and services — and Chain has a good track record of helping institutions build those innovations."

Ludwin said that his work with Visa is about leveraging its global settlement network and the software that allows banks to issue liabilities back and forth instantly — and to be cleared instantly — by the beneficiary bank taking the payment. Cryptocurrencies are checked at the door and are not needed, since local fiat currencies are the ones being cleared and settled.

Chain's software product riding on Visa's rails, Ludwin said, unlocks the power of the blockchain while leveraging the secure, private, regulated and permissioned networks that move clearly and settle trillions of dollars daily — and do it with speed at scale.

"This is a product that is sorely, sorely needed right now in the international payment landscape. Everyone knows the reality, which is that today there is only one choice. And when you only have one choice, that is not the best outcome for the users of the ecosystem."

http://www.pymnts.com/blockchain/2017/chain-ceo-adam-ludwin-on-b2b-payments-via-the-blockchain/

Cardtronics to rollout cardless ATMs based on FIS technology

30/6/17

FIS, the financial services technology, and Cardtronics, the ATM owner/operator, announced Thursday (June 29) plans to integrate FIS Cardless Cash access across Cardtronics' ATM fleet in the United States.

In a press release announcing the news, FIS said the FIS Cardless Cash, which leverages the FIS Mobile Banking app, enables banking customers to withdraw funds from ATMs without having to use a plastic card.

The companies said the rollout will take 24 months and that the FIS Cardless Cash functionality at Cardtronics ATMs will debut cardless cash access at some of the largest retailers in the United States, as well as enable financial institutions to offer in-network use of cardless cash functionality at both branch and retail ATMs.

"Cardtronics, as the global leader in ATM and surcharge-free solutions for retailers and financial institutions, is uniquely positioned to dramatically expand the use of cardless cash access at ATMs in the United States," said Brad Nolan, EVP and managing director, Global Product and Marketing, Cardtronics, in the press release. "Enabling cardless cash access at our ATMs is just one more way Cardtronics can help banks transitioning to more digitally focused, self-service strategies."

According to FIS, the FIS Cardless Cash protects consumers by lowering the risk of card skimming and bad guys looking over unsuspecting banking customers' shoulders. With the technology, consumers can access their funds and authorize how much to withdraw without needing a physical card.

The FIS mobile banking app acts as a remote control for the ATM, providing privacy and security for consumers. Customers using FIS Cardless Cash can complete their withdrawals in 10 seconds and get an electronic receipt on their smartphone.

"FIS Cardless Cash already has created the industry's largest cardless ecosystem, providing convenience to U.S. customers and a better security model for financial institutions," said Anthony Jabbour, chief operating officer, Banking & Payments, FIS, in the same press release. "This partnership with Cardtronics exponentially grows that ecosystem, further facilitating customer adoption and increasing the efficiency, convenience and security of ATM transactions."

http://www.pymnts.com/news/payment-methods/2017/cardtronics-rolls-out-cardless-atms-with-fis-tech/

Square beats Venmo to market with a classic plastic card

30/6/17

Square has long been considered at the vanguard of digital payment innovation, so it may be a little unexpected to see the company take a step backward into physical card issuance.

Square announced Thursday that it is opening its previously invitation-only prepaid card to all its customers. The product is a Visa-branded card linked directly to the user's Square account balance.

This follows recent news of Venmo, another a digital payment player, making a leap into the physical via plastic card. According to Recode, Venmo employee feeds seem to confirm the card's impending arrival, with card-based Venmo purchases being made at fast-food chains like Chipotle and Taco Bell.

The Square Cash Card comes in black with white print, allowing cardholders to customize the front with either their own signature or a sketch of their choosing. Square seems to have a fairly high degree of leniency when it comes to designs, but does monitor for unsuitable content.

The customizable media is likely to make the card appealing to younger users, presumably as direct competition for the incoming Venmo card. Historically, other digital payment providers such as Google and PayPal have put out stored-value cards, neither of which gathered meaningful adoption.

"If you want to be top of wallet you need to be able to play both in the digital world and the physical world," said Michael Moeser, director of payments at Javelin. "Plus, since only 1 in 10 dollars are spent online, gaining physical POS dollars for digital players like Venmo and Square is pure uncharted territory."

However, the motivation behind Square and Venmo's plastic plays may be less about transaction volume and more about brand extension across the digital chasm, plus a playful means of getting millennials to apply for cards that they may not get to use often otherwise.

https://www.paymentssource.com/news/square-beats-venmo-to-market-with-a-classic-plastic-card

Block.one breaks records, raises $185 million (via ICO) in 5 days

2/7/17

The Hong Kong-based startup block.one recently announced that they have raised $185 million in 5 days, through the ICO of their cryptocurrency EOS.

Block. One's product is EOS, a new platform that allows developers to create blockchain apps on top of their protocol. The EOS software will introduce a new kind of blockchain architecture that allows vertical and horizontal scaling of decentralized applications.

The first phase of the distributions took place between June 6th, 2017 and July 1, 2017, with a total 200 million tokens be up for sale. The second phase of the EOS token distribution will start on July 1st, 2017 and 700 million EOS tokens will be distributed.

These 700 million tokens will then be split evenly into 350 consecutives 23 hour periods of 2,000,000 EOS tokens each. The final 100 million tokens will be reserved for the block.one team and cannot be traded or transferred.

https://btcoin.info/block-one-breaks-records-raises-185-million-in-5-days/

Six months after acquisition, SoFi is shutting down Zenbanx

3/7/17

Online lending company SoFi is closing Zenbanx, the online banking provider it bought earlier this year. In an email sent to Zenbanx customers, the company announced that it will close all accounts at the end of next month.

Back in February, SoFi took its first step toward adding checking and credit cards to its suite of financial services through its acquisition of Zenbanx. Then last month, the company applied for a bank charter with the hopes of using Zenbanx's tech stack and personnel for the introduction of its own SoFi-branded online bank.

However, while the banking charter application is pending, it didn't make sense for SoFi to continue offering services under its current structure. According to a SoFi spokesperson, Zenbanx had a partnership with Wilmington Savings Fund Society (WSFS) that expired this month and, rather than renew it or find another partner, the company decided to just close existing accounts.

Below is a partial copy of the email sent to Zenbanx users, which also included instructions for how to remove funds before the August 31 deadline.

When Zenbanx was acquired by SoFi in February, we promised to keep our customers and applicants apprised of any changes to the Zenbanx account. In conjunction with our partner Wilmington Savings Fund Society (WSFS), we've decided to close accounts, effective August 31, 2017 at 12AM ET ("Account Close Date").

Here at SoFi, we are working to build out an expanded line of revolutionary consumer financial products including a new account to be launched soon.

We apologize for any inconvenience this may cause you. You have our assurance there will be no changes in the Terms and Conditions of your Zenbanx Account between now and the Account Close Date. As of July 1st, our interest rates will be changed to 0% for all currencies in accordance to the Terms and Conditions of your Zenbanx Account. If earning interest on the funds in your Zenbanx Account is important to you, we encourage you to close your account before this date.

https://techcrunch.com/2017/07/03/six-months-after-acquisition-sofi-is-shutting-down-zenbanx/

Former Visa Europe CEO Huss joins Ingenico

3/7/17

Ingenico Group, the global leader in seamless payment, today announced the appointment of Nicolas Huss as Executive Vice President, Strategy & Performance. Nicolas is joining the company today, he reports to Philippe Lazare, Chairman & CEO. Nicolas brings 28 years of experience in the financial services industry, most recently as the CEO of Visa Europe. He started his career with GE Capital where he held operational and leadership positions in France, Mexico and Spain. Nicolas further spent some years with Bank of America and Avant (formerly an Apollo Global Management company) as CEO for Spain and Ireland.

As EVP Strategy & Performance, Nicolas will lead the Group's innovation, strategy, M&A and operational excellence activities to keep the company ahead of industry evolution and ensure the sustainability of Ingenico's global leadership in omnichannel payment acceptance.

"The Board of Directors and myself are delighted to welcome Nicolas to Ingenico and to our Executive Committee. His knowledge of the payment industry and demonstrated leadership capabilities will be a great addition to our team.' commented Philippe Lazare, Ingenico Group Chairman & CEO."

https://www.finextra.com/pressarticle/69904/former-visa-europe-ceo-huss-joins-ingenico?utm_medium=dailynewsletter&utm_source=2017-7-4

Major adoption means it's time to double down on mobile payments

3/7/17

Mobile payments usage has been slow to date, but that is about to change. Next year, transactions from your favorite mobile wallets, including Apple Pay and the Starbucks app, are expected to more than double to reach $62.49 billion. That figure is projected to grow to $314.13 billion by 2020. There are a few reasons why consumers and merchants alike can expect to see a boom in mobile transactions in 2017 and beyond.

Mobile payments rely on Near Field Communications (NFC), a technology that allows two electronic devices to communicate with one another. When mobile payments were first rolled out, businesses lacked the appropriate point-of-sale terminals to accommodate this and were apprehensive to make the costly change.

Starbucks' popular mobile app, which includes payments and order ahead, has set the table for broader mobile payments adoption. The latest EMV security standards are inevitably what influenced their decision to invest. Retailers are now ordering new EMV-compliant terminals from major providers such as Verifone and Ingenico en masse and these often accept NFC payments via mobile wallets.

A major concern for consumers regarding mobile payments is security. A 2016 study from PEW found that only 6 percent of nonusers believe that mobile payments are safer than other payment methods.

Mobile payments are generally more secure than other forms of payment, including the standard credit card. The tokenized process takes the worry away from the traditional swipe because the actual credit card data is not transferred or stored on the retailer's network. As merchants educate their consumers of the security benefits of mobile payments, adoption will surely follow.

Customer experience is central to mobile payments adoption. Today's customers want to easily locate a product and purchase it via the channel of their choosing, for the fastest receipt possible. Mobile payments can make this checkout process seamless. Starbucks' Mobile Order & Pay (MOP) app is a good example of success in this arena. It allows the customer to order his or her coffee ahead and pay with a quick scan of the phone. Launched just two years ago, it already accounts for twenty seven percent of U.S. company operated transactions.

There are several reasons why mobile payments have yet to gain traction. With wrinkles on the business and consumer sides, there is a general awareness component that has prevented mass adoption. Once both sides realize the safety and experience benefits, there will be no stopping this payment method of the future.

https://www.paymentssource.com/opinion/major-adoption-means-its-time-to-double-down-on-mobile-payments

Equity International Payments rebrands itself as EQ global

3/7/17

Leading global payments provider, Equiniti International Payments, has today announced the launch of a new brand identity and new name - EQ Global.

The new brand assets will include changes to the company's name, logo and website, and will better reflect the company's mission - simplifying mass global payments for businesses of any size.

As part of Equiniti, the specialist payments provider has enjoyed record growth over the last year and made significant investments in personnel. The rebrand marks the next stage in the company's journey.

Coupled with the significant backing from Equiniti's rich heritage, EQ Global benefits from an unrivalled global reach, offering payment services to almost 180 countries, in around 130 currencies.

Nick Pedersen, Managing Director of EQ Global said: "Our rebrand marks a significant milestone in our journey and we're delighted to announce its completion. The evolution of our brand reflects the extensive conversations we have had with our customers and is driven by our goal to further develop our high calibre cross-border payments offering.

"EQ Global is going from strength to strength and we're now processing a record number of transactions each month. As we continue to target new market sectors, our new brand will reinforce our drive to marry simple, clear products with an integrated end-to-end payments solution, and EQ Global will continue to thrive in delivering payments simply, quickly and efficiently."

https://www.finextra.com/pressarticle/69905/equiniti-internal-payments-rebrands-as-eq-global?utm_medium=dailynewsletter&utm_source=2017-7-4

Finextra charts the new payment landscape

4/7/17

Finextra's European Payments Industry Insights Report tackles key questions about how ready Europe's payments market participants really are for the unprecedented waves of change about to hit.

Europe's payments landscape is being transformed by regulation, advances in technology and the evolving demands of retail and corporate customers. In response, European banks and payment service providers (PSPs) are reinventing their business and technology strategies – formulating new operating models, evaluating new technologies, and redesigning customer journeys to stay competitive in a fast-evolving landscape.

But do banks really know what their future business models should be, considering the revised Payment Services Directive (PSD2) and the rise of instant payments? Are they able to leverage these changes to undertake a wholesale modernization of their payments platforms? Are they on the right track with their approaches to partnership? And are they managing to keep sight of the bigger picture, while mastering the detail of the changes under way?

This is not easy, but is essential. As Becky Clements, Head of Industry Engagement and Payments Change at Metro Bank, points out in the report, "the next two years in the payments industry will be really important". "The industry must get this right – the new RTGS, the single payments architecture for retail payments – because these developments could be a gamechanger. We should all be reading as much as we can and contributing as much as we can to ensure we have the right insights into and influence over these really interesting and important developments," she says.

Responding to change requires banks and PSPs to think about the big picture, the report finds. "Just speeding up the same processes is not good enough to compete in the digital era," says Daniel Szmukler, Director, Euro Banking Association (EBA) in the report. "Banks should use the opportunity to rethink their business and operating model and determine what strategic niche they wish to occupy in a wider ecosystem."

In that context, partnership will become ever more important, the report concludes. "In the future, I think we will see more agreements between PSPs and merchants and banks, and between start-ups and banks. Collaboration will be made possible by APIs, and everyone will need to try to understand which are the best partners: which of these companies can provide parts of the service better than I can?" says Anna Puigoriol, Manager, Payments and Consumer Financing, Sabadell.

How banks and PSPs handle the technology implications of change will also be critical, since those implications are not trivial. As Carlos Sanchez, CEO and Founder of ipagoo, points out: "Unless you have built your technology for a specific business model, it's not plasticine: it's very difficult to just change your technology – especially when you are serving millions of customers."

At this pivotal moment, Finextra's European Payments Industry Insights Report asks and seeks to answer these important questions. The report brings together the viewpoints of many leading payments industry practitioners with the findings of Finextra's own market research during 2017.

An additional dimension to the insights comes from the input of thought-leaders from a range of leading providers to the payments industry. These include ACI Worldwide, CGI, Dovetail, Finastra, FIS, Mastercard, SIA, Tieto and Vocalink. Exploring topics including instant payments, future business models, modernization, digital disruption, strong customer authentication, virtual account management and payments network convergence, these thought-leadership contributions generate further insights into the options ahead for payments market participants in a future being reshaped by a series of powerful change drivers.

https://www.finextra.com/newsarticle/30780/finextra-charts-the-new-payments-landscape?utm_medium=newsflash&utm_source=2017-7-4

Payments potential Square(d)

3/7/17

Summary

- Western and Asian nations have begun further moving away from cash transactions.
- Millennials are expectedly at the fore front of this sizable shift.
- Square has established itself as a leader in enabling and hastening this process by allowing traditionally cash based small businesses a full digital alternative.

Square (NASDAQ: SQ) has now operated for over six years, having been founded in 2009 by Jack Dorsey (CEO) and Jim McKelvey (Director), and has established itself as one of the more readily identifiable brands in the fintech world. A sector that has been expanding at a torrid pace as more and more payments are being processed digitally. Projections have 90% of smartphone users making a mobile payment by 2020. Below is an abbreviated timeline of how quickly the digital payment space is evolving, courtesy of the same tech crunch article linked in the previous statistic:

1983: David Chaum, an American cryptographer, starts work on creating digital cash by inventing "the blinding formula, which is an extension of the RSA algorithm still used in the web's encryption." This is the beginning of cryptocurrencies.
1994: Although this is disputed, some believe that the first online purchase, a pepperoni and mushroom pizza from Pizza Hut, occurs in this year.
1998: PayPal is founded.
1999: Thanks to Ericsson and Telnor Mobil, mobile phones could be used to purchase movie tickets.
2003: 95 million cell phone users worldwide made a purchase via their mobile device.
2007: Both the iPhone and the Droid operating system are released.
2008: Bitcoin is invented.
2011: Google Wallet is released.
2014: Apple Pay is launched, followed a year later by Android and Samsung Pay.
2020: 90 percent of smartphone users will have made a mobile payment. It's estimated that by 2017, there will be $60 billion in mobile payment sales.

Fintech is on pace to surpass $1 trillion Gross Payment Volume (GPV) in 2017 in the US alone with similar figures in China according to statista. A CAGR of 18% through 2021 is projected.

Cash remains the biggest (and most stubborn) hurdle to overcome; as of 2016 22% of consumers in the US still used it in half of their purchases versus 20% five years earlier. This is somewhat countered with cash only use having declined to 10% from 19% in that same timeframe.

	Now	Five Years Ago*
	%	%
All of your purchases with cash	10	19
Most of your purchases with cash	14	17
About half of your purchases with cash and half with other forms of payment	22	20
Some of your purchases with cash	41	33
None of your purchases with cash	12	10

*Self-reports of cash habits five years ago

GALLUP

https://seekingalpha.com/article/4085347-payments-potential-square-d?ifp=0

University of Sydney builds new Red Belly Blockchain technology

3/7/17

Researchers at the University of Sydney (USYD) are building a new blockchain technology, dubbed Red Belly Blockchain, that they believe has the potential to revolutionize the global economy.

Named after one of Australia's most deadly snakes, the new system being developed by the university's School of Information Technologies is expected to allow secure and almost instantaneous digital transfer of virtual currencies across the world, touted as faster than the systems in place by the likes of card giant Visa.

"In recent testing, our blockchain achieved the best performance we have seen so far -- with more than 440,000 transactions per second on 100 machines," said USYD academic Dr Vincent Gramoli, who heads up the Concurrent Systems Research Group developing the blockchain.

"In comparison, Visa's network has a peak capacity of around 56,000 transactions per second and the Bitcoin network is limited to around seven transactions per second."

Blockchain is a distributed ledger technology originally conceptualized to facilitate the trading of the bitcoin cryptocurrency. In a nutshell, blockchain allows for the tracking of digital assets so that a level of trust and consensus can be established, and previous transactions agreed upon.

According to USYD, its Red Belly Blockchain is the first blockchain being built to work both in public and private contexts, allowing for the exchange to occur in a peer-to-peer fashion, as well as in an industrial environment restricted to certain users.

"As opposed to mainstream public blockchains, ours is not subject to double spending -- when an individual successfully spends their money more than once -- because its chain of blocks never forks," said Gramoli.

Gramoli said the university's blockchain is being developed in part to avoid common problems currently plaguing digital transactions, such as forking, when the blockchain starts to diverge into two or more potential paths forward.

"As opposed to consortium blockchains, it can treat hundreds of thousands of transactions per second coming from a potentially unbounded number of clients. It offers a performance that scales horizontally, which ensures the security of transactions," he added.

The next stage for the Red Belly Blockchain is to develop a recommendation system to automate the selection of the participants of a consensus instance which USYD hopes will ensure the security of the blockchain.

When delivering its 2017-18 Budget, the federal government announced it will be aligning the GST treatment of digital currency, including Bitcoin, with regular money as of July 1 2017, in a bid to promote the growth of Australia's fintech industry.

Australian corporates are also embracing blockchain technology. In October, the Commonwealth Bank of Australia, in partnership with Wells Fargo and Brighann Cotton, claimed the first interbank trade transaction combining blockchain technology, smart contracts, and IoT.

In addition, a project using a shared, distributed ledger that can store complete transaction history has almost been completed by the Australian Securities Exchange (ASX).

The exchange recently said its blockchain initiative is on track for a final decision in the second half of 2017, with the prototype complete and the organisation moving to build an "industrial-strength solution" to use as its equity settlement, asset registration, and clearing platform. Its broader plan is to become the first exchange in the world to upgrade to post-trade services using the technology.

ASX group executive for operations Tim Hogben also said recently that blockchain is ideally suited for securely recording medical health information.

Similarly, the Sydney Stock Exchange (SSX) announced a project recently that would see it instantly settle trades using blockchain technology with the help of Sydney-based Bit Trade Labs.

Australia's incumbent telco carrier Telstra announced in September it was experimenting with a combination of blockchain and biometric security for its IoT smart home offerings.

Although the immutable record of transaction has found itself tangled up in a regulatory delegation-fest between government organizations in Australia, with eight different government bodies overseeing blockchain development to some degree in the country, Data61 recently said blockchain holds promise as a new foundation for transactions in society, in particular for voting, notarization, supply chain, registration, and process coordination, in addition to payment-related services.

http://www.zdnet.com/article/university-of-sydney-builds-new-red-belly-blockchain-technology/

Panda Trading Systems now offering a start your own cryptocurrency brokerage service

3/7/17

Panda Trading Systems announces that it has started offering cryptocurrencies on all its platforms, as well as a complete crypto brokerage solution.

In recent years Panda has made a name for itself with its line of innovative "Brokerage in a Box" solutions, enabling startups to quickly and easily set up a FX/CFD brokerage, binary options brokerage, or a combination of the two.

Panda has now added support for 7 cryptocurrencies on its existing brokerage packages and platforms, among which are the highly requested top two, Bitcoin and Ether. Brokers can now easily add these cryptocurrencies to their existing offerings through Panda.

Panda has also added a fourth "Brokerage in a Box" solution, allowing customers to set up their own cryptocurrency brokerage entirely from scratch, complete with trading platforms, CRM, client area, PAMM facility and more. End users are currently able to make deposits, withdrawals and have accounts' base currency in Bitcoin, with further cryptocurrency support currently in the works.

Ori Hazan, Panda TS VP Business Development, commented:

"We're very pleased to be a part of this exciting new direction the online trading industry is taking. Cryptocurrencies have been on our radar for quite a few years now, but they finally seem to be moving into mainstream adoption and we're ready for this change with a complete suite of solutions that have been in development for some time. At Panda, we've always been instrument agnostic, our commitment is to make trading easier and more accessible for all, regardless of what products the market favors. We regard this as an exciting time for traders and are delighted to be at the forefront of this new movement."

https://www.fxempire.com/news/article/panda-trading-systems-now-offering-start-cryptocurrency-brokerage-service-418726

Deloitte partners Waves in bid to shape the future of blockchain

4/7/17

Deloitte CIS and Waves Platform, a leading developer of blockchain solutions, signed a memorandum on strategic partnership. The partnership is aimed at providing clients with comprehensive initial coin offering (ICO) services and customized blockchain solutions tailored for specific business tasks.

Deloitte focuses on application of innovative approaches in its operations and realizes how important it is to develop the digital economy. Under this memorandum, Deloitte's experts, who possess extensive legal and tax expertise in implementing technology projects, will provide the necessary consulting and methodology assistance to businesses and government bodies alike. We will also communicate long-term advantages and opportunities for the companies implementing digital technologies.

In addition to that, one of our objectives is to develop the legal mechanisms for regulating ICO projects. Currently no such mechanisms exist in the market. This will help the companies to safeguard themselves from project risks and challenges after they complete the initial offering of tokens. Waves Blockchain Platform will provide technology solutions for the introduction of digital economy tools. In addition, it will assist companies with prioritizing during their marketing campaigns to promote new products by selecting channels best suited for a successful project implementation.

Waves is a decentralized platform for crowdfunding and creation of digital tokens. This is Russian biggest blockchain project. Waves' core business is asset/custom token issuance, transfer, and trading on blockchain. One of the project's key features is simplicity of use and mass implementation. Proof-Of-Stake is expected to be used as the consensus algorithm. In June 2016, Waves completed the ICO, raising over USD 16 million (30,000 bitcoins). Waves is a top-10 blockchain project in terms of crowdfunding investments. Presently, the company's capitalization exceeds USD 400 million. Many startups, including MobileGo, ZrCoin, and EncryptoTel, held their ICOs via the platform.

"Blockchain technologies are gaining ground, already allowing start-ups, investors and other stakeholders to quickly raise significant funds in cryptocurrencies. However, the cryptocurrency market is relatively young, and not all the regulatory mechanisms are in place. Therefore, we are glad to cooperate with Waves Platform and are confident that our joint effort will help create the necessary conditions for putting together the legal framework for blockchain projects both in Russia and the CIS," says Artem Tolkachev, Director of Legal Services for Technology Projects at Deloitte CIS.

"Our partnership is a significant step towards mass application of blockchain technology. Presently, blockchain companies are not regulated, as there is no existing legislation as such. Our strategic partnership with Deloitte will allow us to take active part in the formation of this regulatory landscape. It is important to join this process both for us and the entire blockchain industry in Russia and the CIS," Waves founder and CEO Sasha Ivanov says.

https://www.finextra.com/pressarticle/69921/deloitte-partners-waves-in-bid-to-shape-the-future-of-blockchain?utm_medium=dailynewsletter&utm_source=2017-7-5

Niu Solutions partners with Virgin Money to bolster intermediary technology

4/7/17

Niu Solutions, a leading provider of managed IT services, partnered with Virgin Money to further enhance the lender's intermediary mortgage portal. Virgin Money appointed Niu Solutions to support its plans for digital transformation in response to the changing needs of its intermediary clients. The project saw Virgin Money develop its Mortgage Lab which sought to innovate and make the mortgage application process more efficient.

Niu virtualized the existing VMO (Virgin Money Online) mortgage application and created the VMIP (Virgin Money Intermediary Portal), allowing its intermediary clients to quickly and easily access the portal via any web browser, on any device. The optimized portal allows its clients to make decisions on borrowing more quickly and efficiently than before, and acts as a mobile 'one-stop-shop' for their intermediary needs.

The flexible interface hosts all levels of an intermediary's work, including risk and compliance monitoring, mortgage checks, and incorporates the latest updates on rates and products, coupled with features such as affordability calculators.
Niu could begin implementing the VMIP in just three months; enabling Virgin Money to improve its service with minimal impact to its operations while maintaining the highest level of security and compliance standards.

Commentating on the partnership, Peter Gee, Managing Director at Niu Solutions said:
"Virgin Money's aim of delivering a competitive proposition for intermediaries and improving the quality of its service to offer its customers, is underpinned by its adoption of innovative technology. Virgin's collaborative approach has allowed us to offer our expertise and support its digitalization plans from start to finish. We are extremely pleased to have helped Virgin Money harness the power of technology, and to have launched its portal as fast as possible, with no interruption to the day-to-day work of mortgage intermediaries."

Peter Rogerson, Director of Mortgages at Virgin Money said: "Promoting the importance of advisors, championing the cause of intermediaries and building strong relationships with partners are all key components of Virgin Money's mortgage proposition. Niu was able to create a place where intermediaries can carry out their core work simply and easily, on the go, and with the support and functionality they needed."

https://www.finextra.com/pressarticle/69925/niu-solutions-partners-with-virgin-money-to-bolster-intermediary-technology?utm_medium=dailynewsletter&utm_source=2017-7-5

Curve promises card users *'financial time travel'*

4/7/17

London-based payments startup Curve claims to have cracked time travel, or at least found a way to let customers switch the card used for a transaction - after the purchase is made. Curve lets users replace multiple cards with a single piece of Mastercard plastic and a mobile app. The new 'go back in time' option means that people can switch the card used for a transaction any time in the two weeks after a purchase.

"This update is a solution to a common payments problem, and we know first-hand it's a feature our users are excited about," says Arthur Leung, product lead, Curve.

"Now, if a user makes a payment with the wrong debit or credit card, they can retrospectively switch the card they use to pay any time in the next two weeks. No manually re-wiring money; no missed loyalty points; no unintentional incurred fees by using the wrong card - with Go Back in Time, it's just one tap."

Curve claims more than 50,000 sign-ups in beta mode for its cards, which have been used for over £50 million in payments, and is planning a full launch later this year.

https://www.finextra.com/newsarticle/30770/curve-promises-card-users-financial-time-travel

BNP Paribas loads first share registers on to blockchain platform

5/7/17

BNP Paribas Securities Services and crowdfunding outfit SmartAngels have loaded the share registers of five of their clients onto a new platform designed to allow private companies to issue securities on the primary market and give investors access to the secondary market using blockchain technology. The two announced plans to develop the service last year and say they have now designed a number of critical functions that will enable private companies to manage the lifecycle of their financial securities, from issuance to the sale and purchase of securities.

The programme has been created to automatically register securities issued by SmartAngels' client companies, processing investor payments and issuing e-certificates to investors via a distributed ledger. The intention is to create a service capable of meeting the needs of a wide client base, including issuers, shareholders, investors (business angels, venture and growth capital investors) and crowdfunding platforms, as well as lawyers, notaries, accountants, and banks.

The live tests included the register of BNP Paribas Securities client SigFox, a leading internet of things connectivity service, as well as four startup clients, which recently raised funds on the SmartAngels platform.

Nelson Fernandes, Blockchain, senior business lead at BNP Paribas Securities Services, says: "We are delighted to be working with SmartAngels on this project and to welcome Sigfox onto the platform during the test phase. We have identified where the processes relating to issuing, buying and selling unlisted stocks needs to be optimized. Our platform aims to deliver a digital solution that meets the needs of all market participants and professionals in these markets."

With testing complete, he says the next phase will entail the "industrialization" of the platform before commercializing it. SmartAngels will also take to market a range of share register digitization and portfolio monitoring services.

https://www.finextra.com/newsarticle/30790/bnp-paribas-loads-first-share-registers-on-to-blockchain-platform

Bitcoin trading, education come to Russian forex giant Alpari

5/7/17

Russia's biggest forex trader Alpari has launched Bitcoin trading and will provide courses educating users how to handle cryptocurrency.

As Finance Magnates reports Tuesday, Alpari, which has been eyeing crypto markets since at least last year, has added so-called contracts for difference (CFDs) for BTC/EUR and BTC/USD.

"The cryptocurrency market is still in its genesis stage," a technical analysis piece released by the site following the launch reads.

The move is a firm statement of belief not just in Bitcoin's outlook globally but in Russia itself, the country signaling a commitment to formal regulation of cryptocurrency markets by next year.

Previously, cryptocurrency languished in a gray area which more often than not resulted in authorities seeking to block consumer access to associated businesses such as exchanges and information portals.

As Finance Magnates notes, Alpari is considered something of a "trendsetter" in forex markets, having previously wheeled out now-popular technologies ahead of the pack.

https://cointelegraph.com/news/bitcoin-trading-education-come-to-russian-forex-giant-alpari

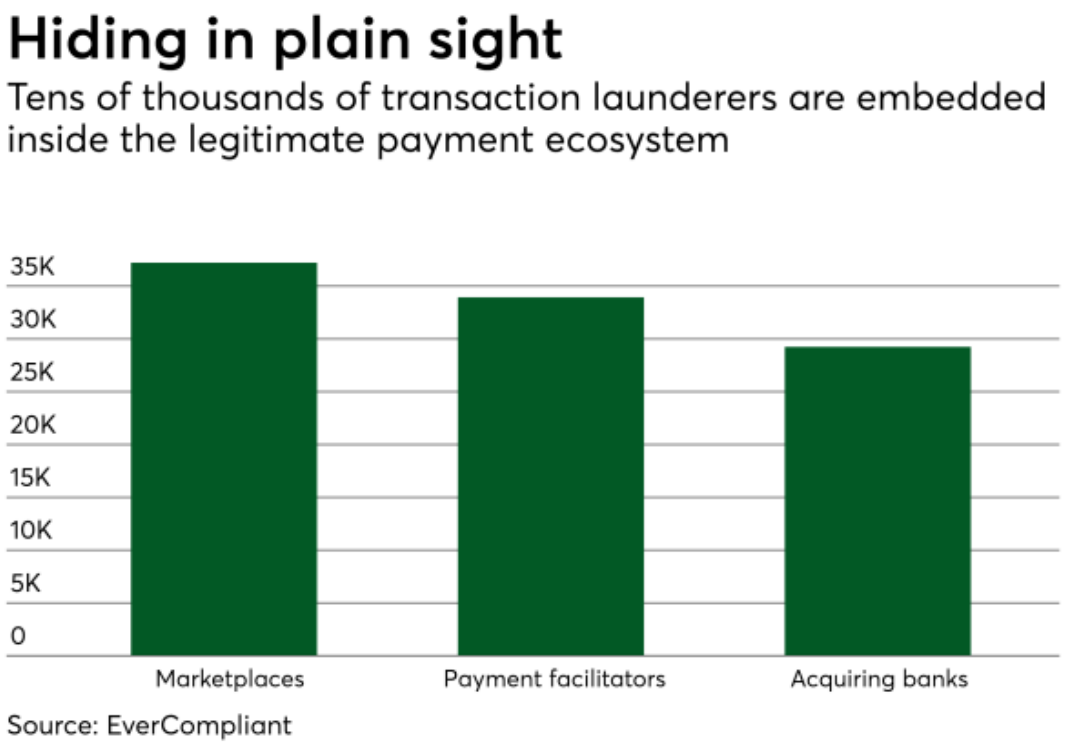
Bitcoin crime grabs the headlines, but beware of transaction laundering

5/7/17

Bitcoin and other decentralized, non-fiat virtual currencies are becoming a more popular way for cyber criminals to shop for illegal goods online with little fear of consequences.

Fueled by various governmental and corporate pronouncements, the court of popular sentiment has tried and convicted a whole new generation of cyber criminals who use these currencies as facilitators of crime and illicit trade.

However, despite the attention that Bitcoin is getting as the number one facilitator of online crime, it's become much easier to launder money and pay for illegal goods online by abusing the *existing* payments ecosystem with the help of transaction laundering, a sophisticated merchant- based fraud.



While the use of cryptocurrencies requires a certain level of technological savviness and skill-there is an acknowledgment of the illegitimate transaction being executed. Transaction laundering, however, utilizes legitimate, known, and well-accepted payment methods such as credit cards, wires and other electronic payment methods, exposing the sales of illegal goods on the open web to the mom and pop shops of the world that may not even be aware of the illegality of their acts. This makes transaction laundering, from a fraud standpoint, a far more worrying phenomenon than cryptocurrency-based crime.

Transaction laundering occurs when unknown businesses use an approved merchant's payment credentials to process payments. By using a registered merchant account for undisclosed transactions, unknown or hidden entities gain a gateway into the legitimate payments ecosystem. Since transaction laundering completely circumvents MSP risk and fraud mitigation procedures, it is extremely difficult to detect. This creates serious regulatory and compliance issues for the entire payments industry, especially given that transaction laundering often hides funds originating from illegal activities like drugs, weapons, extreme pornography, counterfeit goods, and more.

Given the sheer volume of online commerce, and the fact that transaction laundering abuses an existing, established payments system. It's likely that the dollar-value of transaction laundering by far outstrips Bitcoin and other cryptocurrency-based crime.

The extent of the transaction laundering problem is staggering. It's been found that on average, the size of the unknown merchant portfolio is 6% to 10% of the known client base. That means that for every 10,000 merchants registered with an MSP, some 600 to 1000 hidden entities are transacting through legitimate payment networks without being detected- most of which originate in illegal, illicit or otherwise unwanted activities.

By removing the limitations proscribing traditional currencies, it's easy to understand why Bitcoin and other cryptocurrencies are *perceived* as the financial Wild West. However, times have changed, and Bitcoin is not the criminals' haven it used to be. Only as recently as 3 years ago, it seemed that anyone could buy or sell anything with Bitcoin and never be tracked. However recent years have seen multiple high profile arrests linked to Bitcoin, including Ross Ulbricht, the 31-year-old American who was convicted to life in prison for his involvement with the infamous Silk Road, a Bitcoin market facilitating the sale of $1 billion in illegal drugs.

While it is possible to send and receive Bitcoins without giving any personally identifying information, achieving the perfect anonymity may be impossible. In fact, law enforcement agencies worldwide are learning to effectively leverage the vast store of digital knowledge from Bitcoin transactions to track down illicit activity, applying blockchain analysis and recently-updated know your customer (KYC) and anti-money laundering (AML) policies adopted by Bitcoin exchanges. The EU's primary law enforcement agencies, Europol and Interpol, also recently announced the establishment of a working group to better handle Bitcoin-based criminal activity.

Add this to the fact that there is a growing body of regulations governing virtual currencies. For example, the Russian Finance Ministry announced its intention to recognize the legitimacy of Bitcoin and to introduce regulations, a move that closely follows the recent developments in Japan where cryptocurrencies are now a legal and regulated mode of payments.
With law-enforcement paying close attention to Bitcoin, the inherent traceability of Bitcoin transactions in the blockchain and the relative complexity of Bitcoin payments, criminals flock to other methods. As evidenced by a series of recent US Department of Justice money laundering arrests (none of which

involved Bitcoin), even if only by virtue of their limited scope of use, virtual currencies are still far less significant facilitators of criminal activities than traditional currencies.

This is not to say that Bitcoin is not used for money laundering and facilitating illicit and illegal trade online. However, the impact of Bitcoin on online crime may not be as great as the news headlines would make us believe. While Bitcoin anonymity is a powerful tool for financing crime, methods that abuse legitimate payments ecosystems, such as transaction laundering, are much larger in scope.

The prime differentiator between cryptocurrency-based crime and transaction laundering is the radius of the circle of damage. Transaction laundering is far- reaching, allowing for illegal trades, such as drug cartels, to abuse legitimate payment ecosystems. However, paying for legal as opposed to illegal goods, does not differ at all--at least from the user experience standpoint-- from a legitimate online payment. You enter your credit card details on a payment page of a legitimate merchant, and there you have it.

On the other hand, people who wish to purchase using Bitcoin, need to be in-the-know, be technically adept and tech savvy. Essentially Bitcoin users need to put in an extra effort to make the transaction that they do not wish to be associated with, for one reason or the other.

Cryptocurrency crime, on the other hand, can be heinous and far-reaching, yet its victims are generally affected *immediately*. With transaction laundering, in addition to the direct victims of a given instance of illicit activity, MSPs (acquiring banks, payment facilitators, and online marketplaces) can also suffer devastating losses, and even be held criminally liable. For this reason, financial institutions and regulatory bodies worldwide are placing greater emphasis on effective KYC programs. merchant service providers should be vigilant in protecting themselves from involvement with transaction laundering, or risk regulatory fines, brand damage and legal action.

https://www.paymentssource.com/opinion/bitcoin-crime-grabs-the-headlines-but-beware-of-transaction-laundering

Mastercard uses artificial intelligence to protect Citi and Paysafe customers

5/7/17

Customers of Citi in the UK and Paysafe are the first to benefit from Decision Intelligence, the first use of artificial intelligence implemented on a global scale directly on the Mastercard network.

Decision Intelligence is a comprehensive fraud decisioning service. The solution uses artificial intelligence technology to help financial institutions increase the accuracy of real-time approvals of genuine transactions and reduce false declines.

Citi and Paysafe have already begun to use the technology in the UK, with additional markets and issuers to go live in the coming months.

Elif Kayhan, Head of Fraud Analytics for UK Consumer and IPB at Citi commented: "Mastercard Decision Intelligence has provided us with a solution that will increase the efficiency of fraud alerts and increase our fraud detection rate, helping us to ensure we are providing our clients the highest security against cyber-crime. We believe that this product will increase our fraud detection capabilities significantly and we look forward to working closely with Mastercard on this new venture."

Johan Gerber, Executive Vice President, Security and Decision Products, Mastercard said: "Trust is a currency. Our cardholders want peace of mind and convenience when using their Mastercard. Decision Intelligence enables issuers to approve more of the genuine transactions traditionally declined, while declining more fraudulent transactions that may previously have been approved."

Current decision-scoring products are focused primarily on risk assessment, working within predefined rules. Decision Intelligence is a radical new approach that goes much further. It takes a broader view in assessing, scoring and learning from each transaction. That score then enables the card issuer to apply the intelligence to the next transaction.

The unique technology behind Decision Intelligence examines how a specific account is used over time to detect normal and abnormal shopping spending behaviors. In doing so, it leverages account information such as customer value segmentation, risk profiling, location, retailer, device data, time of day, and type of purchase made to ensure a better picture is available to issuers so they can make more informed decisions.

Andrea Dunlop, CEO Acquiring and Card Solutions at Paysafe added: "Paysafe is very pleased to team up with Mastercard to utilize Decision Intelligence. This will reduce false declines on transactions and consequently create a positive impact on the usability of the card, while still adding an extra layer of security to address ever-changing fraud trends."
This technology is a core feature of the Mastercard Enhanced World Elite platform, and is available to Mastercard issuers globally as an optional feature.

http://www.netimperative.com/2017/07/mastercard-uses-artificial-intelligence-protect-citi-paysafe-customers/

Marsh's Zaffino to join Duperreault at AIG

5/7/17

Peter Zaffino, CEO of Marsh L.L.C., will leave the brokerage to join American International Group Inc. as global chief operating officer effective August 1, AIG announced Wednesday.

Mr. Zaffino will be replaced as CEO of Marsh by John Doyle, who joined the brokerage as president last year. Mr. Doyle was one of the most high-profile executives to leave AIG when it culled its leadership ranks in 2015 and 2016.

The move will reunite Mr. Zaffino with Brian Duperreault, who previously headed Marsh & McLennan Cos. Inc., the brokerage firm's parent.

"In his role at AIG, Mr. Zaffino will lead the day-to-day business of all country operations, including U.S. commercial field operations and AIG's multinational organization, as well as global business services, administration and communications," an AIG statement said.

Rumors that Mr. Zaffino would join AIG began in April following speculation that Mr. Duperreault would return to lead AIG, having spent the first two decades of his career at the insurer. Mr. Duperreault was named CEO of AIG in May to replace Peter Hancock, who announced his resignation after AIG posted a nearly $3 billion fourth-quarter 2016 loss.

Mr. Duperreualt's appointment has been widely welcomed by industry observers who view his underwriting and management background as key attributes needed to help turnaround AIG.

Prior to being named Marsh CEO in 2011, Mr. Zaffino was president and CEO of Guy Carpenter & Company, L.L.C., Marsh's reinsurance broking affiliate, having previously held a number of senior roles at the firm since joining in 2001.

http://www.businessinsurance.com/article/20170705/NEWS06/912314298/Peter-Zaffino-of-Marsh-to-join-Brian-Duperreault-at-AIG

Orca celebrates P2P achievements by drafting industry 'ecosystem'

5/7/17

ORCA has created an 'ecosystem' (pictured) for the UK's peer-to-peer sector, to celebrate the fact that more than £10bn has now been invested across 23 of the country's P2P platforms.

The graphic, titled 'UK Alternative Lending Ecosystem', highlights the major players in each section of the P2P industry, including lending platforms, alternative lenders, business services, and investors.

The Belfast-based aggregator said that the purpose of the chart was to highlight how the industry of P2P, and alternative lending more broadly, has grown and evolved in the past decade.

"P2P is a growing industry, underpinned by the innovative platforms which span consumer, business and real-estate lending," said a company spokesperson.

"Add aggregators, marketing services, data and research businesses, news outlets, banking and apps, and more into the mix and you have an established industry ready for widespread adoption. The ecosystem required to support the industry is growing with lending volumes."

Orca's chief executive Iain Niblock praised the huge growth of the sector.

"Individual retail investors have benefited from the risk-adjusted returns that P2P offers," Niblock said. "By creating efficient lending marketplaces, borrowers gain quick lending decisions and lenders receive fair rates of returns. Everyone wins."

In the first half of 2017 alone, more than £2bn was invested in P2P, and more than £10bn has been invested in the sector since Zopa launched the first UK-based P2P platform in 2005.

http://www.p2pfinancenews.co.uk/2017/07/05/orca-p2p-ecosystem/

LendingClub appoints Ken Denman to its board of directors

5/7/17

LendingClub (NYSE: LC), America's largest online marketplace connecting borrowers and investors, today announces Kenneth Denman as the newest member of its Board of Directors. Effective June 28, 2017, Denman joins as a Class One director and will serve on the Audit and Compensation Committees.

"Ken is a seasoned executive and board member who will be invaluable as we continue to scale," said Scott Sanborn, CEO of LendingClub. "His deep roots in technology – including AI and mobile – will provide great perspective as we continue to leverage data, technology, and our marketplace model to get people the credit they deserve while providing an easy and rewarding experience for our investors."

Denman, a venture partner at Sway Ventures, has served as a CEO for over fifteen years leading corporate transformations for the likes of Emotient, Inc. (acquired by Apple in January 2016), Openwave Systems, Inc. (now Unwired Planet), and iPass, Inc. He has held executive roles at MediaOne Group, Inc., US WEST Communications Group and the Battelle Memorial Institute Laboratory.

"I've seen how technology can transform industries, and I am excited to support LendingClub as it continues to transform financial services," said Denman. "The market potential is massive and this company, with the current leadership team in place, is incredibly well positioned. I'm looking forward to joining a team so dedicated to helping people achieve their financial goals."

Denman is an active board member for Costco Wholesale Corp., ShoreTel, Inc., Mitek Systems, Inc., and Motorola Solutions, Inc. Denman formerly held board roles with Brightmail, Inc., Emotient, Inc., iPass, Inc., Openwave Systems, Inc. and United Online. He served as the Director of the Cellular Telecommunications & Internet Association (CTIA) from January 2011 to January 2012, and as a Director of United Online, Inc., from June 2015 to July 2016.

http://www.prnewswire.com/news-releases/lendingclub-appoints-ken-denman-to-its-board-of-directors-300483566.html

Luxembourg funds industry completes first live blockchain transaction

6/7/17

Investors have completed the first live share purchases over a blockchain-powered fund distribution platform. The cash for share transactions were executed for Natixis Asset Management funds using a platform co-developed by Luxembourg Stock Exchange subsidiary Fundsquare, InTech and KPMG.

Investors participating in the transaction used the FundsDLT mobile app to submit the standard subscription order for the shares. The order is then transmitted to the FundsDLT platform for onward routing to Natixis AM and other interested parties located at discrete nodes on the FundsDLT blockchain.

The transfer agent - in this case CACEIS - is the first to act by confirming the transaction and logging it as 'approved' or 'declined'. Approval triggers the clearing and settlement processes across the Funds DLT platform.

Cash and payment processing was handled using S-money, a digital unit of account created by Groupe BPCE. Investors topped up their S-money account with sufficient funds to cover the transaction before completing the order.

Said Fihri of KPMG Luxembourg says: "We not only replicated trades in the blockchain; we moved real cash and invested in a real fund. We are close to having an industrial product that could be used in different configurations: distributors, IFA, robo advisors and D2C."

https://www.finextra.com/newsarticle/30800/luxembourg-funds-industry-completes-first-live-blockchain-transaction

Twenty-eight global banks to test Swift blockchain application

6/7/17

Interbank messaging network Swift says that 22 additional global banks have joined its blockchain proof of concept (PoC), designed to validate whether the technology can help banks reconcile their international nostro accounts in real time. The PoC is part of the Swift gpi initiative to re-arm the correspondent banking system for a new age of technological disruption.

The banks that have recently joined the PoC include: ABN Amro, Absa, BBVA, Banco Santander, China Construction Bank, China Minsheng Banking, Commerzbank, Deutsche Bank, Erste Group Bank, FirstRand Bank, Intesa Sanpaolo, JPMorgan Chase, Lloyds Bank, Mashreq bank, Nedbank, Rabobank, Société Générale, Standard Bank of South Africa, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, UniCredit and Westpac.

They join a group of six founding banks that will work to test and validate the new blockchain application - based on Hyperledger Fabric v1.0 technology - and evaluate how the technology scales and performs. Results of the tests will be released at the co-operative's annual user meeting at Sibos in Toronto in October.

Wim Raymaekers, head of banking markets and Swift gpi, says: “This new group of banks allows us to greatly extend the scope of multi-lateral testing of the blockchain application and thus add considerable weight to the findings. We warmly welcome the new banks and look forward to their insights.”

Currently, banks cannot monitor their account positions in real time due to lack of intraday reporting coverage. As such, the PoC recognizes the need for banks to receive real-time liquidity data to manage funds throughout the business day.

“The potential business benefits ensuing from the PoC are clear,” says Damien Vanderveken, head of R&D, SwiftLab and UX at Sswift. “If banks could manage their nostro account liquidity in real time, it would allow them to accurately gauge how much money is required in each account at any given point, ultimately enabling them to free up significant funds for other investments.”

https://www.finextra.com/newsarticle/30798/twenty-eight-global-banks-to-test-swift-blockchain-application

CAN Capital resumes funding

6/7/17

CAN Capital is back in business, thanks to a capital infusion by Varadero Capital, an alternative asset manager. Terms of the capital arrangement were not disclosed.

CAN Capital stopped funding late last year and removed several top officials after the company discovered problems in how it had reported borrower delinquencies. The discovery also resulted in CAN Capital selling off assets, letting go more than half its employees and suspending funding new deals, among other things.

Now, however, the company has a new management team and its processes have been revamped and staff retrained in anticipation of a relaunch, according to Parris Sanz, who was named chief executive in February. He was the company's chief legal officer before taking over the helm after then-CEO Dan DeMeo was put on leave of absence.

As of today (7/6), CAN Capital has resumed funding to existing customers who are eligible for renewal. Within a month, the company plans to resume providing loans and merchant cash advance to new customers. It will have two products available in all 50 states—term loans and merchant cash advances with funding amounts from $2,500 to $150,000.

To be sure, getting back into the market after so many months will be a challenge. "I think we're absolutely going to have to work hard, no doubt about it. In many ways, given our tenure and our experience, the restart may be easier for a company like us versus others. Based on the dynamics in the market today, I see a real opportunity and I'm excited about that," Sanz said in an interview with DeBanked.

Since its founding in 1998, CAN Capital has issued more than $6.5 billion in loans and merchant cash advances. It's one of the oldest alternative funding companies in existence today, and, accordingly, it shook the industry's confidence when the company's troubles became public late last year.

The new management team includes Sanz, along with Ritesh Gupta, the chief operating officer, who joined CAN Capital in 2015 and was previously the firm's chief customer operations officer. The management team also includes Tim Wieher as chief compliance officer and general counsel; he initially joined the company in 2015 as CAN Capital's senior compliance counsel. Ray De Palma has been named chief financial officer; he came to CAN Capital in 2016 and was previously the corporate controller. The management team does not include representatives from Varadero.

Varadero is a New York-based value-driven alternative asset manager founded in 2009 that manages approximately $1.3 billion in capital. In the past five years, Varadero has allocated more than $1 billion in capital toward specialty finance platforms in various sectors including consumer and small business

lending, auto loans and commercial real estate. In 2015, for instance, Varadero participated in separate ventures with both Lending Club and LiftForward.

Varadero began working with CAN Capital as part of its efforts to pay down syndicates. Varadero bought certain assets from CAN Capital last year and provided enough funding to allow CAN Capital to recapitalize. "The recapitalization enabled us to pay off the remaining amounts owed to our previous lending syndicate and provided us with access to additional capital to resume funding operations," Sanz says. He declined to be more specific.

"We were impressed with the overall value proposition of CAN's offerings as evidenced by the strength of its long-standing relationships, the company's core team, sound underwriting practices, technology and the strong performance of their credit extension throughout the cycle," said Fernando Guerrero, managing partner and chief investment officer of Varadero Capital, in a prepared statement. "We're confident the company's focused funding practices will allow it to serve small business customers for many years to come."

Guerrero was not immediately available for additional comment.

DLA Piper served as legal counsel for, and Jefferies was the financial advisor to, CAN Capital, while Mayer Brown was legal counsel to Varadero Capital, L.P.

Since its troubles last year, CAN Capital had been working with restructuring firm Realization Services Inc. for assistance negotiating with creditors. It also worked with investment bank Jefferies Group LLC for advice on strategic alternatives.

Sanz declined to discuss other options CAN Capital considered, noting that the Varadero deal provides the firm the opportunity it needs to jump back into the market—this time with "tip top" operations in place. He declined to say how many employees the firm still has, other than to say it is now "appropriately staffed." In addition to getting rid of the prior management team, CAN Capital reduced staffing in numerous parts of its business. That includes nearly 200 positions at its office in Kennesaw, Ga, according to published reports.

The company will still be called CAN Capital. "We feel that that brand has a recognition in the market, with our sales partners," Sanz says.

http://debanked.com/2017/07/can-capital-resumes-funding/