



**Evolve**  
Capital Partners

## **Weekly News Update**

Week Ending 02/23/18

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## Preface

Each week, Evolve Capital Partners compiles relevant news and press releases across the finance and technology sectors. We analyze publicly available information and source each article. We also release a weekly summary of M&A and financing transactions.

Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements. Founded in 2012, we are based in New York.

You can learn more about us at [www.evolve-capital.com](http://www.evolve-capital.com). We post past weekly transaction and news updates on our website, plus in-depth industry research reports.

To contact us, please email [admin@evolve-capital.com](mailto:admin@evolve-capital.com) or call (646) 688-2792.

### Sectors we cover at the intersection of finance and technology include:

 Bank Technology Solutions	 Healthcare Tech	 Securities
 BPO	 Insurance	 Specialty Finance / Alternate Lending
 Financial Management Solutions	 Payments	 Data & Analytics / IoT

## News Count

Sector	Number of News	% of Total
Bank Technology Solutions	17	29%
BPO	1	2%
Financial Management Solutions	1	2%
Healthcare Tech	1	2%
Insurance	9	16%
Payments	13	22%
Securities	8	14%
Specialty Finance / Alternative Lending	3	5%
Data & Analytics / IoT	1	2%
Others	4	7%
<b>Total</b>	<b>58</b>	<b>100%</b>



## US bank puts car buyers in the driving seat with AutoGravity

### Bank Technology Solutions

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US Bank has struck a partnership with financial technology startup Autogravity to become the latest of the nation's financial institutions to streamline the loan application process for car-loving Americans. Car buyers using the new US Bank online tool can pick their car, select a dealership and agree pre-approved loan terms before picking up their drive on the forecourt.

“We want our customers - both car buyers and dealerships - to have the best, most seamless experience possible,” says John Hyatt, executive vice president, consumer dealer services for U.S. Bank. “This technology helps us get the buyer in the driver’s seat sooner and brings pre-approved customers to the dealership.”

Currently available via the US Bank website the online tool will expand to the bank’s mobile app and be available to used car buyers and co-applicants in the coming months.

AutoGravity rival Autofi struck a similar deal with JPMorgan chase in January and in February picked up an undisclosed investment from Santander Consumer USA.

[https://www.finextra.com/newsarticle/31726/us-bank-puts-car-buyers-in-the-driving-seat-with-autogravity?utm\\_medium=newsflash&utm\\_source=2018-2-23&member=93489](https://www.finextra.com/newsarticle/31726/us-bank-puts-car-buyers-in-the-driving-seat-with-autogravity?utm_medium=newsflash&utm_source=2018-2-23&member=93489)

## Deutsche Börse CollCo project green-lighted by Eurex

### Bank Technology Solutions

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Deutsche Börse's Collateralised Coin Project for shifting collateral among banks using tokenised digital coins has been given the go-ahead for a full-scale pilot by Eurex Clearing. The concept is based on a collateralised coin, "CollCo". All peer-to-peer payments based on tokenised commercial bank money are accompanied by movements of collateral between the respective Eurex Clearing members using the CCP's functionality and rules.

The Börse has built a prototype and has been waiting on the results of an internal feasibility study by the clearing house.

The study examined risk management, process implementation and legal questions, says Stefan Teis, SVP, group business & product development, Deutsche Börse. "The study concludes that the project should be carried forward," he says.

Other blockchain-based initiatives under the Börse's aegis are also bearing fruit.

The exchange operator has been working with Deutsche Bundesbank on a project for the settlement of digital bonds against digital cash.

"We completed the first phase at the end of 2016 and are now in the second phase, with the prototype put to a performance test," says Teis. "This serves to verify whether blockchain technology is mature enough to process the standard market volumes, which are high. We expect the first results in the second quarter of 2018."

The Börse has also been collaborating with a coalition of four central securities on an initiative to use blockchain technology to ease cross-border mobilisation of security collateral under the banner LA Ledger.

Says Teis: "We have already made a prototype available online for potential clients and partners to use for simulations. We are currently talking to clients and regulators and obtaining legal assessments."

The German exchange has additionally begun to tentatively explore the business opportunities afforded by cryptocurrencies, beginning with a coding competition in March to create new business applications for crypto assets.

"The cryptocurrency sector is very interesting to us," admits Teis. "Imagine cryptocurrency services along an entire value chain: ICO support on the primary market, secondary trading, indices and data offerings for cryptocurrencies, custody services for digital financial instruments or crypto assets. However, these ideas need to be closely analysed in light of the fact that

regulation on this area is still lacking and entirely unclear, also considering the major uncertainties in the crypto market."

[https://www.finextra.com/newsarticle/31727/deutsche-brse-collco-project-green-lighted-by-eurex?utm\\_medium=newsflash&utm\\_source=2018-2-23&member=93489](https://www.finextra.com/newsarticle/31727/deutsche-brse-collco-project-green-lighted-by-eurex?utm_medium=newsflash&utm_source=2018-2-23&member=93489)

## OCBC Bank first in Singapore to launch voice-powered banking

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OCBC says it is the first bank in Singapore to offer its customers day-to-day banking and make cashless payments using their voices.

According to OCBC, its retail banking customers are now able to check their bank account balances, outstanding credit card balances and details, as well as make instant e-payments – using Siri, Apple’s virtual assistant.

The e-payments can be made to any bank account in Singapore, including accounts not linked to the PayNow service. PayNow is a nationwide peer-to-peer funds transfer service that enables funds transfers using mobile or national registration identity card (NRIC) numbers. In October last year, OCBC rolled out a similar service to business banking customers.

For example, customers can ask questions such as “Hey Siri, what’s my balance?”, or “How much money do I have in my bank account?”, or “What is my credit card spend?”. They can then authenticate the transaction with their fingerprint or facial recognition.

Aditya Gupta, OCBC Bank’s head of e-business Singapore, says the new service “brings us one huge leap closer to making natural language voice-activated banking and payments a reality”.

The bank also reminds people about its previous developments. This includes introducing biometric authentication to access account details with OneTouch in March 2015, an app for Apple Watch in March 2016; and OneLook in November 2017 – also on its app.

<http://www.bankingtech.com/2018/02/ocbc-bank-first-in-singapore-to-launch-voice-powered-banking/>

## First direct pilots artha app for marketplace banking

### Bank Technology Solutions

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UK digital bank first direct has begun trialling an app that lets people see account information from all of their providers, as well as get money management tips and product suggestions - including from third parties. First direct is working with fintech startup Bud on the pilot, which is part of parent firm HSBC's open banking strategy and marks the first time a major UK bank has made third party products available to customers.

The artha app allows users to bring accounts from the UK's largest banks together in one place and categorise their spending data.

Then, based on the categorised data the app can analyse people's needs to help them to find relevant financial products. For example, if the app saw that someone was paying a disproportionate amount for electricity, it could introduce them to utility switching services.

The marketplace will contain products and services from providers in areas such as investing and credit cards, with American Express, Nutmeg, Wealthify, MoneyFarm, and Flipper among those available during the pilot.

Uttiyo Dasgupta, head, transactional banking, HSBC, says: "The banking sector needs to innovate to meet changing customer needs, and at HSBC we're investing significantly in digital innovation.

"Customer centric platforms like artha form part of HSBC's wider Open Banking strategy, and allows us to test, learn and develop new services in a live environment and then deploy the new technologies at scale."

[https://www.finextra.com/newsarticle/31717/first-direct-pilots-aritha-app-for-marketplace-banking?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31717/first-direct-pilots-aritha-app-for-marketplace-banking?utm_medium=newsflash&utm_source=2018-2-22&member=93489)

## Danish piggy bank app Ernit integrates with Spar Nord

### Bank Technology Solutions

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Ernit, a Danish piggy bank app that hopes to make digital money more tangible to kids, is ready for a national roll out after striking a deal with local bank Spar Nord. Ernit is an allowance and savings app connected to a Spar Nord bank account. Kids create goals in the app - such as saving for a computer game - that adults can then contribute to, linking the payment to customised chores.

By leaning heavily on gamification, and a bright, sound and picture-heavy interface, Ernit says that its system helps to encourage children to learn properly about saving and spending.

Now, thanks to the Spar Nord integration, parents can link to a real bank account so that children can immediately spend the money they earn on their goals.

Ernit was founded in 2015 by three fathers looking to teach their kids about money. Says CEO Soren Nielsen: "My daughter calls my credit card the magic card. She thinks it contains an endless stream of money and she simply does not understand the value of money today.

"If we want to give our children healthy financial habits, we should contribute with more than just make money easily accessible through an app or a credit card. Children learn with their senses. They stack, clink, toss and sort their coins. Ernit makes digital coins understandable by imitating the physical properties of money in a digital universe."

[https://www.finextra.com/newsarticle/31716/danish-piggy-bank-app-ernit-integrates-with-spar-nord?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31716/danish-piggy-bank-app-ernit-integrates-with-spar-nord?utm_medium=newsflash&utm_source=2018-2-22&member=93489)

## CBA and ING partner on RegTech pilot

### Bank Technology Solutions

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Commonwealth Bank of Australia and ING have carried out a RegTech pilot which saw them use AI to simplify the processing of regulatory information. Using MiFID II as their test case, the pair worked with fintech outfit Ascent Technologies and law firm Pinsent Masons to tap natural language processing and AI to interpret and convert 1.5 million paragraphs of regulation into a series of bitesize, actionable tasks appropriate for the banks.

Ascent's technology helped the banks quickly identify items in the regulation that could be reviewed and dealt with, which, say the partners, saved hundreds of hours in manual processing.

The UK's Financial Conduct Authority was onboard with the experiment as an observer, giving its backing to banks looking to work together on industry solutions using new technologies to help meet compliance obligations.

Supun King-Jayawardana, head, London Innovation Lab, CBA, says: "When RegTech meets financial services, we create opportunities for banks, start-ups and regulators to collaborate and solve industry-wide challenges.

"By working together, we can share best practice in due diligence, experimentation costs, business knowledge and resources - ultimately driving great outcomes for all parties."

[https://www.finextra.com/newsarticle/31721/cba-and-ing-partner-on-regtech-pilot?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31721/cba-and-ing-partner-on-regtech-pilot?utm_medium=newsflash&utm_source=2018-2-22&member=93489)

## Open Banking, one month on – a significant change in the UK landscape

### Bank Technology Solutions

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Since the 13th January, it has been hard to miss the mainstream and trade press coverage on Open Banking – a significant milestone in UK banking. The BBC covered this as “a fundamental change to the way people can bank, manage and spend their money in the digital world”. Effectively, this marks the debut of independent API (Application Programming Interface) driven services as a new banking channel to sit alongside branch, telephony, digital and mobile. Just as you can integrate Google Maps or even parcel tracking functionality, soon firms will be able to import banking data and payments capabilities. When we consider the innovations which API enablement has led to in other industries – from Expedia to Uber – this new ecosystem marks the beginning of a new era for banking, for banks, and for their customers.

As a result of the CMA's (Competition and Markets Authority) market investigation in 2016, the nine biggest UK banks and building societies were ordered to open up their data and payments capability via APIs to any licensed service authorised by the bank's customer. This comes ahead of PSD2 (the second Payment Services Directive). PSD2 became law in January – in fact, the same day as Open Banking launched – and from Q3 2019 requires banks across Europe to implement similar solutions for all customers.

Open Banking means that UK consumers and businesses can now securely allow authorised firms other than their bank to view the current account data their bank holds, and initiate payments from their current account. These firms are known as Third Party Providers, or TPPs. Similar services – primarily focussed on providing money dashboards – have existed for a while, with trade association FDATA estimating the existing UK user base for TPPs at two million consumers. However, these services previously required customers to share their login details in a practice widely called ‘screen scraping’. This approach – although stated as safe by the services using it – contravened most banks' terms and conditions which required consumers not to share such information. In comparison, the alternative API-based approach offers these service providers – and their customers – a more stable and secure basis going forward.

The consumer proposition is potentially compelling, and the CMA and HM Treasury have great hopes in it shaking up not just how consumers interact with their banks, but also the broader financial ecosystem. To use Open Banking's own words...

Open Banking expands the range of financial services you can access by allowing companies other than your bank or building society to securely and safely access your accounts and make payments.

This could enable a company to take the pain out of budgeting or making tax returns, provide detailed financial advice, give you accurate comparison services for any product that's paid for from your account...

Reports state that more than 80 new firms have applied for FCA authorisation, with licences coming through as we speak. Yolt, the smart money management app owned by ING, became the first third party provider to complete a successful connection (with Lloyds Bank) under the new Open Banking system. Openwrks – another money management app – shortly after became the first third party provider to connect to all banks currently providing functional APIs. Others will follow – for example, Zopa, online personal finance peer-to-peer lending company, has partnered with TrueLayer to enable consumers to verify their income using Open Banking data, without having to upload documents. This use of Open Banking to simplify applications for new products is expected to be one of the first use cases to achieve scale.

The launch of Open Banking was significant not because it is expected to be a “big bang” with millions of customers signing up from the start – but because, for the first time, it moves account data and payments officially out of the bank's domain and opens up/regulates third party access to firms looking to create services building on these. Effectively, it reduces the ‘stickiness’ of the customer, and means they can – for example – pay by a means other than their bank's debit card or app, or treat their information as their own and view it how they want to, not how the bank chooses.

Conversely, with some firms in other industries generating the majority of their revenues via their API channel, this represents a departure point for banks, who have a new channel and therefore, a new range of opportunities. Salesforce reportedly generates 50% of its revenues through APIs, eBay nearly 60%, and Expedia 90% – showing the potential benefits available to those who seize the potential opportunity. Open Banking therefore creates a new channel – API banking – for providers to compete in, and where the efficiency and breadth of services offered will be key.

The Chancellor of the Exchequer's November Budget committed to extending the Open Banking standards to cover all products with payments capability such as credit cards and e-wallets throughout the course of 2018 and 2019 (in alignment with PSD2). The full roadmap extends even further – potentially including all financial products from pensions, to mortgages – and linking in to broader consumer initiatives to help people reduce the costs of their bills and improve their financial health. As PSD2 drives banks across Europe to open up APIs – enabling cross-border use – volumes will no doubt increase. With the consequent growth of the Open Banking market – and adoption of supporting infrastructure to drive it beyond pure regulatory compliance – this has the potential to drive benefits for all parties.

[http://www.paymenteye.com/2018/02/21/open-banking-one-month-on-a-significant-change-in-the-uk-landscape/?utm\\_medium=email&utm\\_source=fintechweeklycom](http://www.paymenteye.com/2018/02/21/open-banking-one-month-on-a-significant-change-in-the-uk-landscape/?utm_medium=email&utm_source=fintechweeklycom)

## NatWest experiments with 'digital human' to answer customer queries

### Bank Technology Solutions

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NatWest is in advance testing of a lifelike human avatar trained to answer customer queries across its mobile and online channels. The bank has for the past year deployed a text-based chat bot called 'Cora' which customers can use on the bank's online help pages. It can answer 200 basic banking queries and now has 100,000 conversations a month.

The new Cora prototype takes the robotic experience a stage further, using technology from New Zealand's Soul Machines that can detect human emotion and react verbally as well as physically, through facial expressions.

Like humans, Cora is trained when dealing with new subject matter and when she makes mistakes she learns, so that over time the interactions become more personable and accurate.

Kevin Hanley, director of innovation at NatWest says the idea is to inject some personality and character into the bot to make it more appealing to customers who usually avoid online chat agents.

"We're really excited about this technology because we think it could create another way for our customers to bank with us on top of the usual services we offer and be used to help answer questions round the clock, whilst cutting queuing times for simple questions," he says. "The technology has real potential for the future and we're also looking at how we can use it to help train our staff on certain subject matters."

[https://www.finextra.com/newsarticle/31714/natwest-experiments-with-digital-human-to-answer-customer-queries?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31714/natwest-experiments-with-digital-human-to-answer-customer-queries?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## Oz digital banking startup Xinja scores licence to offer home loans

### Bank Technology Solutions

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Australian digital banking startup Xinja has taken an important step in its efforts to create a full-service mobile alternative to the big four by securing regulatory approval to start offering home loans. While the UK has seen a rash of digital challenger banks crop up over the last couple of years, Xinja hopes to be the first independent to take on the establishment down under.

The company has taken advantage of the government's new equity crowdfunding law to raise funds, using the Equitise platform to bring in more than \$1.4 million of a \$3 million target so far.

Eric Wilson, CEO, Xinja, says: "We have been so excited and humbled by the response to the equity crowdfunding offer, which has significantly exceeded our expectations. It is indicative of the appetite for a new banking experience in Australia, and part of our intention has always been that Xinja customers could own a piece of the action."

By the end of February, the startup will roll out its first product, an app and prepaid card, and, with an Australian Credit Licence now in the bag, it plans to start offering home loans in the next few months.

To become a full-service provider, Xinj is also applying for two more licenses - an Australian Financial Services Licence and a banking licence which will allow it to become a Restricted Authorised Deposit-taking Institution.

[https://www.finextra.com/newsarticle/31712/oz-digital-banking-startup-xinja-scores-licence-to-offer-home-loans?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31712/oz-digital-banking-startup-xinja-scores-licence-to-offer-home-loans?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## Lloyds earmarks £3 billion for three-year IT transformation

### Bank Technology Solutions

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Lloyds Banking Group is to invest £3 billion over the next three years to transform the business into a "digitised, simple, low risk, customer focused, UK financial services provider". In a strategy update presented alongside its annual results, the UK bank pledged to deploy new technology to drive additional operational efficiencies including deeper end-to-end transformation targeting over 70% of the cost base; simplification and progressive modernisation of data and IT infrastructure; and technology-enabled productivity improvements across the business.

The £3 billion price tag is 40% up on the spend allocated for the previous three-year plan, which saw thousands of jobs cut as the bank re-engineered the business to take advantage of new mobile and online channels.

The new plan is aimed at reducing operating costs to less than £8 billion in 2020 and a cost:income ratio in the low 40s.

Introducing the plan, António Horta-Osório, group chief executive says: "As we look to the future, we see the external environment evolving rapidly. Changing customer behaviours, the pace of technological evolution and changes in regulation all present opportunities. Given our strong capabilities and the significant progress made in recent years we believe we are in a unique position to compete and win in this environment by developing additional competitive advantages. We will continue to transform ourselves to succeed in this digital world and the next phase of our strategy will ensure we have the capabilities to deliver future success."

[https://www.finextra.com/newsarticle/31709/lloyds-earmarks-3-billion-for-three-year-it-transformation?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31709/lloyds-earmarks-3-billion-for-three-year-it-transformation?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## Deposit marketplace Raisin launches in the UK

Bank Technology Solutions

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European deposit marketplace Raisin has today announced that Raisin UK is opening up its doors to local consumers with the launch of its new savings marketplace, Raisin.co.uk.

The British branch will be going live with its first partner bank, BACB, to offer a single registration process to multiple applications on UK savings products. The platform has said it is in talks to onboard more banks over the coming months, hoping to build a similar marketplace to its European brand.

Speaking about the launch, Raisin UK CEO Kevin Mountford said: “This represents the beginning of our journey to bring great partner banks with attractive offers to UK savers. Over time we will be introducing enticing marketplace features to offer savers a better deal for their money.”

Founded in 2013, Raisin surpassed €5bn of processed savings deposits in January this year. The company also received backing from payments giant PayPal in December, alongside other investors including Thrive Capital, Index Ventures and Ribbit Capital.

[http://www.altfi.com/article/4094\\_deposit\\_marketplace\\_raisin\\_launches\\_in\\_the\\_uk](http://www.altfi.com/article/4094_deposit_marketplace_raisin_launches_in_the_uk)

## Singapore's government blockchain experiment is a road to regulatory understanding

### Bank Technology Solutions

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Last Monday, Feb. 12 Chief Fintech Officer of the Monetary Authority of Singapore (MAS) Sopnendu Mohanty mocked the excessive speculative activity that is “perhaps negatively impacting the whole experimentation of cryptocurrency.” He nevertheless confirmed his dedication to the Singapore central bank’s Blockchain project — “Ubin.” In Mohanty opinion, it is in two years when we’ll see the real impact of the project. So what precisely is the “Ubin project,” a Blockchain initiative by Singapore CB?

#### What is Project Ubin

At Nov.16 2016, MAS announced it would be partnering with R3, a Blockchain technology company, and a consortium of financial institutions on a proof-of-concept project to conduct inter-bank payments using Blockchain technology.

Instantly, this was evidence of the Singapore Central Bank and related authorities looking to the potential of Blockchain and cryptocurrencies, rather than shunning and running from it. In their initial announcement, MAS stated: “The project will develop a pilot system in which Blockchain infrastructure is used to issue and transfer funds among participants.”

They identified that Blockchain has the power to “make financial transactions and processes more transparent, resilient and at lower cost.” What was also outlined in this preliminary announcement is that this experiment could lead to banking alternatives: “This will also help MAS and the industry to develop simpler to use and more efficient alternatives to today’s systems.”

#### Phases of implementation

The rolling out of project Ubin has been ongoing since late 2016 and is still in its opening phases. It is a project that is long-standing and ongoing, incorporating a list of impressive advisors and partners. The participating financial institutions are Bank of America Merrill Lynch, Citi, Credit Suisse, DBS Bank Ltd, HSBC Limited, J.P. Morgan, Mitsubishi UFJ Financial Group, OCBC Bank, Singapore Exchange, Standard Chartered Bank, and United Overseas Bank.

Accenture was appointed to manage and develop the prototypes. R3, IBM and ConsenSys were engaged to provide support on the respective DLT platforms of Corda, Hyperledger Fabric and Quorum. Microsoft was engaged to support the deployment of the prototypes on Azure Blockchain.

Phase 1 was announced with Deloitte being commissioned to produce a report that covers all aspects of Distributed Ledger technology aimed at settlement systems, and also to detail the design of the prototype. This report was viewed as the basis for the MAS Blockchain protocol.

On Oct. 5, 2017, the project moved onto phase two, which involved the above-mentioned consortium of financial institutions, had “successfully developed software prototypes of three different models for decentralized interbank payment and settlements with liquidity savings mechanisms.”

Going forward, the idea is to leverage two spin-off projects that will provide important lessons from the prototypes developed. “The first project driven by the Singapore Exchange (SGX), focuses on making the fixed income securities trading and settlement cycle more efficient through DLT. The second project focuses on new methods to conduct cross-border payments using central bank digital currency.”

### **How does it affect regulation?**

Sopnendu Mohanty, chief fintech officer at MAS, in an interview with CNBC at the conclusion of Phase Two, had a tone of learning and understanding, indicating that this experiment from MAS is for the greater good of the ecosystem: "It is away to bring the broader ecosystem together, so we all learn together."

Essentially, the goal that MAS is trying to achieve globally is that regulators should not fear experimentation with Blockchain and that they need to understand the possibilities before making a call. Indeed, Mohanty said to CNBC that this experiment may not necessarily become a commercial project or even shape regulations:

“Don't fear doing experiments and don't fall into traps of signaling policy changes. Some regulators are afraid to do experiments because of this tremendous external pressure on them. We are trying to drive that culture globally.”

[https://www.finextra.com/newsarticle/31674/ocbc-bank-scans-customer-faces-for-personalised-service-at-the-branch?utm\\_medium=dailynewsletter&utm\\_source=2018-2-15&member=93489](https://www.finextra.com/newsarticle/31674/ocbc-bank-scans-customer-faces-for-personalised-service-at-the-branch?utm_medium=dailynewsletter&utm_source=2018-2-15&member=93489)

## Softtek and Mambu to bring digital banking to Central America

### Bank Technology Solutions

2/19/18

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Software-as-a-service (SaaS) banking engine Mambu has partnered with Softtek, the largest Mexican system integrator, to launch a banking platform as a service (BPaaS).

The cloud-based model will enable financial institutions in Central America to leverage an integrated offering that provides them with the agility to adapt to marketing demands, which are becoming increasingly more digital. Softtek aim to deliver a combination of SaaS and local apps from multiple vendors onto one cloud-based API-enabled BPaaS, powered by Mambu.

“New entrants are using digital technology to meet changing customer expectations as well as reach the large underbanked sector. To succeed, competitors must emulate the operating models of these disruptors and develop the flexibility and speed to market necessary to meet market demands. BPaaS is the optimal model to meet this objective,” said Edgardo Torres-Caballero, Managing Director, Mambu Americas.

Mambu also recently announced a partnership with Kreditech last month, to power the German consumer finance firm’s expansion into India.

Commenting on today’s news, Carlos Funes, CEO of Softtek Mexico said: “Powered by the global leading SaaS banking engine Mambu, which provides advanced capabilities and the agility demanded by the financial sector, we have combined this with Softtek’s experience and knowledge of this industry in Mexico in order to provide a complete offering which will help accelerate the transition of our customers to the digital economy without disrupting their existing business.”

"In Mexico, we have more than 3,000 financial institutions that could potentially benefit from the Softtek-Mambu alliance by bringing to them modern world-class banking technology," added José Luis Sánchez, VP of Financial Sector in Softtek Mexico.

“With a 100% digital platform that is flexible, scalable and agile, it will enable these institutions to provide innovative cloud-first banking services and credit to its customers in the consumer and corporate market.”

[http://www.altfi.com/article/4082\\_softtek\\_and\\_mambu\\_to\\_bring\\_digital\\_banking\\_to\\_south\\_america](http://www.altfi.com/article/4082_softtek_and_mambu_to_bring_digital_banking_to_south_america)

## Fintech-friendly Cross River Bank partners with PeerIQ on loan data

### Bank Technology Solutions

2/16/18

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Cross River Bank in Fort Lee, N.J., has entered into a partnership with PeerIQ, a provider of consumer loan data analytics, in an effort to streamline capital sourcing between online lenders and institutional loan buyers such as small banks.

The partnership seeks to combine Cross River's capital, technology, and regulatory compliance processes with PeerIQ's risk management platform, loan and borrower data sets, and data-verification tools to help community banks and other loan buyers more easily access the online-lending sector, the two companies said in a press release Friday.

"Cross River is continuously investing in internal-facing technology that will enhance our ability to ensure strict regulatory compliance and adhere to consumer protection," Geoffrey Kott, the head of finance and strategy at Cross River, said in the release. "PeerIQ's risk management platform — with its leading loan-level analytics and monitoring capabilities, credit facility management toolkit, and full integration of TransUnion data — will both augment our internal capabilities and provide best-in-class loan-level monitoring tools for our clients and partners."

Partnering with fintechs is nothing new for Cross River Bank, founded in 2008. It has worked with more than 15 online-lending companies, including Affirm, Borrowers First, Marlette Funding, Rocket Loans and Upstart.

In late 2016 it received \$28 million in venture capital funding to expand its support of fintech firms and expand its own technology team.

"Cross River is a major hub for the entire marketplace lending sector, and a natural partner for PeerIQ," Ram Ahluwalia, CEO of PeerIQ, said in the release. "The risk management and regulatory compliance solutions we're bringing to market will not only unlock new capital, but hopefully do much to establish best practices in loan-level transparency for the industry."

<https://www.americanbanker.com/news/fintech-friendly-cross-river-bank-partners-with-peeriq-on-lending-data>

## KBC opens WhatsApp channel for customer questions

### Bank Technology Solutions

2/16/18

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Belgium's KBC Bank is offering customers the opportunity to chat with staff via a dedicated WhatsApp channel. Within a week of the service going live, the bank had fielded 492 questions from customers around the world and dished out almost 2000 answers to questions dealing with common banking and insurance tasks.

The messaging app has been integrated into KBC's Live service, with bank agents open to questions on weekdays from 8am to 10pm and at weekends from 9am to 5pm. The consumer roll-out comes just a week after a similar service was introduced for business customers.

The bank is reporting soaring interest in KBC Live, selling 70000 non-life insurance policies and 3000 home loans via online and video chat during the course of 2017.

Karin van Hoecke, general manager of Mobile First at KBC, says: 'Our customers have been able to chat with us for some time. WhatsApp is a very fast and easy to access chat app that's already familiar and intuitive to many of our customers. We're testing it first with our Dutch-speaking customers, before expanding to the other official languages in Belgium and English. We want to give our customers the ability to contact us in a variety of ways. From good-old-fashioned branch or insurance agency visits to contact through our website, mobile and touch apps or KBC Live for online banking, we want to be there for them. Messaging services like Facebook Messenger and WhatsApp fit right in.'

As part of its efforts to move more customers to cheaper-to-run online channels the bank has begun to run training courses for customers through its branch network. Operating under the banner of 'Digi Tuesday' the first session held last week attracted 800 participants across 50 KBC branches. The bank plans to offer approximately 600 courses throughout the year, showcasing its Web and mobile services and imparting new digital skills to over 10,000 customers.

[https://www.finextra.com/newsarticle/31686/kbc-opens-whatsapp-channel-for-customer-questions?utm\\_medium=newsflash&utm\\_source=2018-2-16&member=93489](https://www.finextra.com/newsarticle/31686/kbc-opens-whatsapp-channel-for-customer-questions?utm_medium=newsflash&utm_source=2018-2-16&member=93489)

## Nxchange pioneers ABN Amro's blockchain tech for escrow accounts

### Bank Technology Solutions

2/16/18

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ABN Amro Clearing Bank (AACB) has developed an alternative for escrow accounts – based on blockchain technology.

The solution was developed in consultation with an Amsterdam-based start-up, Nxchange (a white-label stock exchange where companies and financial institutions issue and trade equity and bonds). Nxchange is also the first client to launch this solution, starting in February.

“Most non-bank organisations who are entrusted with client funds use escrow accounts to manage those funds,” AACB says.

“With this new service, every individual client of the non-bank organisation gets a bank account with the AACB via the blockchain. That way, fund flows between the organisation and its clients are included in payment processes under regular supervision, guaranteeing the required transparency,” it explains.

By eliminating escrow account management costs, the new service “drastically reduces” administrative costs for the organisation, it adds.

AACB's Jan Bart de Boer describes Nxchange as “the ideal party to be starting this innovation with”. Nxchange is itself an innovator, he says, with its “business model geared toward efficiency and transparency”.

De Boer says the bank is seeing “a great of market interest for this service”. Once the new functionality is tested further, assessed and improved where required, AACB will make the offering more widely available.

<http://www.bankingtech.com/2018/02/nxchange-pioneers-abn-amros-blockchain-tech-for-escrow-accounts/>

## Revolut to add Ripple to cryptocurrency offering

### Bank Technology Solutions

2/16/18

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Revolut has announced plans to add XRP, also known as Ripple, to its cryptocurrency platform. The new currency will be available alongside existing cryptos offered by Revolut, including Bitcoin, Litecoin and Ethereum.

Previous rumours had suggested that Satoshi might be the next crypto coin to be added to the banking app's alternative currency feature.

Currently, Revolut users can exchange any of the app's 25 base currencies into Bitcoin, Litecoin and Ether via the Revolut app. Revolut then allows users to hold their coins within the app, transfer to other Revolut users for free, or exchange into any other cryptocurrency or fiat currency at the best possible rate for a 1.5 per cent markup.

The feature was initially only available to Premium users as part of a soft launch in December 2017. As of the end of January, all Revolut users can now buy, hold and exchange cryptocurrencies on the platform.

Revolut CEO Nikolay Storonsky commented at the time: "We have been amazed by the incredible demand of our cryptocurrency feature and are delighted to begin opening it up to all Revolut users.

"Now that we have upgraded and tested our systems, we are able to cope with demand and will avoid disrupting the service for everyone else by rolling this feature out gradually, starting with our Premium customers."

[http://www.altfi.com/article/4079\\_revolut\\_to\\_add\\_ripple\\_to\\_cryptocurrency\\_offering](http://www.altfi.com/article/4079_revolut_to_add_ripple_to_cryptocurrency_offering)



**BPO**

## Accenture launches new Artificial Intelligence testing services

BPO

2/20/18

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Accenture (NYSE: ACN) has launched new services for testing artificial intelligence (AI) systems, powered by a unique “Teach and Test” methodology designed to help companies build, monitor and measure reliable AI systems within their own infrastructure or in the cloud.

Accenture’s “Teach and Test” methodology ensures that AI systems are producing the right decisions in two phases. The “Teach” phase focuses on the choice of data, models and algorithms that are used to train machine learning. This phase experiments and statistically evaluates different models to select the best performing model to be deployed into production, while avoiding gender, ethnic and other biases, as well as ethical and compliance risks.

During the “Test” phase, AI system outputs are compared to key performance indicators, and assessed for whether the system can explain how a decision or outcome was determined. It uses innovative techniques and cloud-based tools to monitor the system on an ongoing basis for sustained performance. For instance, a patent-pending normalization technique uses a unique algorithm to test object recognition more quickly.

“The adoption of AI is accelerating as businesses see it’s transformational value to power new innovations and growth,” said Bhaskar Ghosh, group chief executive, Accenture Technology Services. “As organizations embrace AI, it is critical to find better ways to train and sustain these systems – securely and with quality – to avoid adverse effects on business performance, brand reputation, compliance and humans.”

According the Accenture Technology Vision 2018, AI systems require addressing many of the same challenges faced in human education and growth: fostering an understanding of right and wrong, and what it means to behave responsibly; imparting knowledge without bias; and building self-reliance while emphasizing the importance of collaborating and communicating with others.

“Testing AI systems presents a completely new set of challenges. While traditional application testing is deterministic, with a finite number of scenarios that can be defined in advance, AI systems require a limitless approach to testing,” said Kishore Durg, senior managing director, Growth and Strategy and Global Testing Services Lead for Accenture. “There is also a need for new capabilities for evaluating data and learning models, choosing algorithms, and monitoring for bias and ethical and regulatory compliance. Accenture’s “Teach and Test” methodology takes all of this into consideration to help companies develop and validate AI systems with confidence.”

Accenture used its “Teach and Test” methodology to train a conversational virtual agent for a financial services company’s website, so that it could engage in accurate, unbiased conversations and know when to refer conversations to a human. The agent was trained 80 percent faster than previously possible and achieved an 85 percent accuracy rate on customer recommendations.

The methodology was also used to teach a sentiment analysis solution to evaluate a brand's service performance by analyzing social media, news and other sources in real time. Having the right training data enabled the solution to correctly interpret sentiments in different contexts and domains. The training time for models was cut in half, enabling faster analysis and business results.

Accenture AI Testing is part of a complete range of testing services that helps quality engineering professionals be a catalyst for speed, agility and business performance while achieving radical productivity. Accenture serves over 1,000 testing clients across more than 40 industries and is recognized as an industry leader in testing innovation.

<https://newsroom.accenture.com/news/accenture-launches-new-artificial-intelligence-testing-services.htm>



# FINANCIAL MANAGEMENT SOLUTIONS

## ForgeRock Trust Network onboards Entersekt as principal tech partner

### Financial Management Solutions

2/21/18

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Mobile-first authentication and e-commerce enablement specialist Entersekt has joined the ForgeRock Trust Network as a principal technology partner, reports David Penn at Finovate.

ForgeRock provides identity and access management solutions to financial services, retail, healthcare and communications companies as well as to educational institutions and governments including Belgium, Canada, New Zealand and Norway.

“Entersekt will bring our customers powerful, proven authentication options that will add great value to the exciting digital transformation projects they are embarking on with ForgeRock,” says Ben Goodman, VP of global strategy and innovation for ForgeRock.

Entersekt’s mobile app security, authentication and digital signing solutions integrate seamlessly into ForgeRock’s identity and access management platform, giving customers an easy way to secure individuals, connected devices and services, the two companies say.

“As Entersekt did with push-based authentication, so has ForgeRock reimaged identity and access management, rearchitecting it from the ground up,” states Entersekt’s CCO, Dewald Nolte.

Entersekt says its solutions can be applied to a variety of challenges including mobile app security, strong authentication, payments enabling, digital signing, biometric enablement and regulatory compliance. The company’s flagship products are Transakt, which provides one-touch, multi-factor authentication for digital banking and payments; Interakt, which enables push USSD, out-of-band communication for feature phones; and Connekt, for e-commerce enablement.

According to the vendor, it secures 150 million digital transactions every month in 45 countries, protecting tens of millions of end users.

<http://www.bankingtech.com/2018/02/forgerock-trust-network-onboards-entersekt-as-principal-tech-partner/>



# HEALTHCARE TECH

## Amazon has quietly launched an exclusive line of over-the-counter health products

Healthcare Tech

2/20/18

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Amazon has quietly launched an exclusive line of over-the-counter health products in a possible challenge to pharmacy retail chains that could spark a price war and put pressure on store-brand profit margins.

Technically, the company doesn't own these products, which are produced by private-label manufacturer Perrigo, but it does put Amazon in a position to squeeze other retailers. The e-commerce giant launched the Basic Care line in August, including 60 products ranging from ibuprofen to hair regrowth treatment.

Pharmacies make money when people walk in looking to grab medicine and end up buying cosmetics and other goods. They're already losing traffic as people shop for those products online, including on Amazon. Giving them another possible reason to skip the store could hurt even more.

"It's a very different world, and having Amazon jump in is not a good sign for existing brands, either branded or private label, because the way Amazon works is its ability to take on unprofitable ventures for a time to see how things go," said Matthew Oster, head of consumer health research at global market research firm Euromonitor International.

"And the fact they have a near monopoly in e-commerce gives them a lot of scale that can allow them to undercut price. So that aspect should be concerning for whoever their competitors are in that space," he said.

An Amazon spokeswoman said Basic Care does not give it a pathway into selling prescription drugs. However, CNBC has reported on the company's interest in the space, including that Amazon has participated in exploratory talks with generic-drug makers. The company announced a partnership with J.P. Morgan and Berkshire Hathaway in January to create a company aimed at reducing health-care costs.

Amazon joined the medical supplies business when it inked a deal with Cardinal Health in 2014, according to a source familiar with the matter. The agreement started with Amazon administering the company store so Cardinal employees could get discounts, and then grew into selling to consumers via Amazon.com, the source said.

<https://www.cnbc.com/2018/02/20/amazon-has-quietly-launched-an-exclusive-line-of-over-the-counter-health-products.html>



# INSURANCE

## Insurers begin modeling casualty catastrophes

### Insurance

2/21/18

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Scenario-based modeling has been used for property risk for some time, but its application in the casualty area is recent, according to Robin Wilkinson, vice president and managing director of Casualty Analytics at AIR Worldwide, a Verisk business. In an interview with Claims Journal, she explains how modeling systematic and sudden trigger casualty occurrences can benefit insurers and reinsurers in many ways.

“Casualty risk modeling tends to be focused on casualty catastrophes and they have the potential to impact almost all lines of business,” said Wilkinson.

Some lines that could be impacted include general and product liability, professional and directors’ and officers’ liability, business income, workers’ compensation and employer practices liability.

The events themselves, she said, can be systemic events or sudden trigger events.

Systematic events occur when there are many claims against a number of policies in one industry, like in the case of asbestos or sports concussions.

Classic clash events center on a single company resulting from a sudden trigger event, like the Deepwater Horizon explosion that impacted a number of liability lines, she said.

“Such as pollution, general liability, directors’ and officers’, obviously a little bit of property. Mostly liability, and losses exceeding actually in the case of \$100 billion,” said Wilkinson.

While there is no standard model used for modeling liability catastrophes, she explained the scenario-based model shows the most promise because it’s not completely dependent on historical data.

“Historical data on casualty events may be scarce or not wholly predictive of future events,” said Wilkinson.

Though scenario-based modeling has been around for 20 years, it’s mainly been used in modeling property exposures. Insurers are now showing interest in modeling liability scenarios in order to improve portfolio data.

A scenario-based model allows for expert input and is transparent, giving the “user the ability to see and also stress test the inputs and assumptions that lead to their results.”

She shared the basic steps to modeling a liability catastrophe:

1. Generate a footprint of the impacted industry and lines of business.
2. Determine the economic parameters associated with the event.
3. Overlay a portfolio to understand how much the event will likely be insured within the portfolio.
4. Simulate the event several times to get a reasonable range of potential outcomes for the portfolio.

Insurers can benefit from casualty cat modeling in a number of ways, Wilkinson said. For example, it provides an insurer a clear picture of its concentrations of business exposures and the types of events that might have an adverse impact on those businesses.

“It provides an insurer a way to stress test a particular portfolio and that, in turn, helps to assess capital adequacy,” said Wilkinson.

The model can also assist insurers in considering new business when adequately priced, based on liability catastrophe modeling results.

<https://www.claimsjournal.com/news/international/2018/02/21/283218.htm>

## SMEs underestimate cyber risks which could prove ‘fatal’: Allianz Report

### Insurance

2/21/18

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Small- and medium-sized enterprises are waking up to the realities of cyber risks but still underestimate their exposures, which could prove catastrophic for some, according to a report published by Allianz Global Corporate & Specialty (AGCS).

For medium-sized companies with annual revenues between €250 million (\$308.9 million) and €500 million (\$617.8 million), cyber incidents rank as the top risk for the first time (39 percent of responses), while for small-sized companies with annual revenues less than €250 million, it ranks as the second major business risk (30 percent of responses), said the seventh annual Allianz Risk Barometer 2018, which surveys global risk experts to discover what risks keep them awake at night.

The report surveyed 1,911 respondents in 80 countries, including Allianz’ customers, brokers, risk consultants, underwriters, senior managers and claims experts. (See related article published on Feb. 5). Allianz noted that SME business experts collectively account for almost half of the Risk Barometer’s responses, or 47 percent.

“The jump that cyber incidents have taken in the past year – from third to first for medium-sized companies and from sixth to second for small-sized companies – is significant and reflects an uptick in the attention paid to data breaches both by SME companies and their insurance brokers,” said Vinko Markovina, global head of MidCorp, AGCS, who was quoted in the report.

“Awareness is growing, as the Risk Barometer results show, but many SMEs still underestimate their exposure and are not prepared for, or are able to respond to, an incident. This can be a fatal mistake,” he added.

Indeed, the impact of cyber attacks “can be catastrophic,” the report affirmed, noting that the average cost of a data breach for SMEs in North America was \$117,000, according to a study from Kaspersky Lab. At the same time, a separate study from Ponemon Institute, titled “State of Cybersecurity in Small and Medium-Sized Businesses,” revealed that hackers have breached over 50 percent of small businesses, with these numbers continuing to increase.

Fighting back against cyber threats poses a different set of challenges compared with larger companies, warned the report.

SMEs can be vulnerable as many do not have enough revenue to be able to afford their own IT departments, employ a chief information security officer (CISO) or access the knowledge and resources to protect themselves against evolving cyber threats, AGCS continued.

However, there are solutions available for SMEs, including one offered by AGCS. AGCS said it has partnered with Silicon-Valley based software company Zeguro to implement a “virtual CISO” platform as part of its insurance coverage. The platform enables SMEs to access tailored security recommendations and training for employees, AGCS said.

“Cyber insurance used to be a confusing and relatively expensive cover for SME-sized businesses. However, as coverage has become more available, affordable and easier to understand, we are seeing more demand,” says Markovina. “Activity around cyber will only accelerate in the SME space through 2018.”

SMEs also weighed in about their concerns over business interruption (BI) risks. BI ranks as the top risk for small enterprises (33 percent of responses), up from second place (27 percent) in last year’s report. Further, BI was listed as the second most important peril for medium-sized companies, although this has been displaced by cyber incidents as the most important risk in 2018.

“It’s no surprise that BI ranks prominently in the SME risk rankings, as threats are multiplying and the consequences cannot be underestimated,” said Markovina, explaining that supply chain disruption is just one element of BI risk that can affect SMEs.

“Maintaining sufficient on-hand inventory levels, avoiding geographic concentrations of suppliers, monitoring mergers and acquisitions among suppliers and avoiding production specialization that leads to outsourcing can all be crucial mitigation strategies in event of an interruption,” he added. “If not managed effectively, the fall-out can quickly escalate.”

According to the wider conclusions of the survey’s 1,911 respondents, business interruption (BI) and cyber incidents interlink as the major threat facing companies.

<https://www.insurancejournal.com/news/international/2018/02/21/481113.htm>

## Microsoft partners with Denver insurance underwriting assistance company

### Insurance

2/21/18

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A Denver company that utilizes automated artificial intelligence for insurance underwriting assistance says that Microsoft Corp. is making an investment in the company.

Flyreel, which uses artificial intelligence to assist in underwriting for commercial and residential properties, said in a statement that "Microsoft is investing resources and expertise to accelerate Flyreel's go-to-market strategy."

Flyreel didn't specify how much money Microsoft (Nasdaq: MSFT) is investing in the company.

"So many of our insurance industry clients have been asking for this kind of intelligent, automated solution to help them cut costs, improve operational efficiency, and increase customer satisfaction and retention. But, we've been unable to find one — until now," said Colin McClive, director, US Insurance Industry at Microsoft, in a statement.

<http://www.9news.com/article/money/business/microsoft-to-invest-in-denver-insurance-underwriting-assistance-company/73-519648012>

## Insurtech Homelyfe opens up tech stack for third party fun

### Insurance

2/20/18

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UK-based firm Homelyfe has launched its “Partner Platform” to offer third party firms access to its product lines and to provide home insurance cover.

The platform means that third parties can now implement Homelyfe’s technology and insurance buy flow within their own digital domains and “earn commissions”. The firm bigs up the speed – as it can be done in less than four minutes – “with the quickest purchase so far being 85 seconds”.

According to Homelyfe, a typical banking app offering home insurance would require the consumer to fill out over 60 third-party insurance questions to even get a quote.

With its new offering, the same banking app could use data it already has on the customer to pre-fill information where appropriate and “virtually remove all questions in that buying journey”.

Andrew Craven, co-founder and CTO, says: “It’s a game changer for the insurance industry, providing a much-needed modernisation of an antiquated process, and is the first step towards a seamless Insurance-as-a-Service platform for partners and brands.”

If you need more details, Homelyfe says the price at the point of renewal shouldn’t change and therefore customer loyalty and ongoing repeat commission will exceed the industry averages.

Another “important feature” of the platform is the partner commission monitor – an automated service that is delivered to partners every night, providing daily analysis and removing the need to manually reconcile at the end of every month.

Peter Goodman, co-founder and CEO, says the firm will be adding further insurance lines on a quarterly basis and “over the course of the next few months, we plan to announce several key partnerships, in our exclusive roll-out plan”.

In October last year, Homelyfe revealed it had raised £2.4 million in a super seed round led by Talis Capital and Peterson Ventures. At that time, Homelyfe said it will add multiple general insurance lines over the coming year, starting with home insurance in early 2018.

The company was founded by Goodman and Craven, serial entrepreneurs who have established a number of start-ups, such as Brighter Option (now Social.com) – a Facebook management platform, which was sold to Buddy Media and subsequently Salesforce in 2012. They launched Homelyfe in 2016.

<http://www.bankingtech.com/2018/02/insurtech-homelyfe-opens-up-tech-stack-for-third-party-fun/>

## Zurich, Insurtech Startup CoverWallet Offer End-to-End Insurance for SMEs

### Insurance

2/16/18

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Zurich Insurance has launched ZurichEmpresas.es, a new digital distribution channel, which initially will provide insurance solutions for small-and-medium-sized enterprises (SMEs) in Spain.

The platform, powered by CoverWallet, will provide end-to-end insurance solutions, streamlining the entire process for business owners and providing easy access to requests for proposals, price comparisons and policy management.

This insurtech solution is the product of a collaboration in Europe between Zurich and CoverWallet, the New York-based insurtech startup and business insurance provider.

ZurichEmpresas.es allows SMEs to quickly analyze and understand their specific insurance needs, and provides customized products tailored to their unique business, said Zurich Insurance in a statement.

The process, from quotation through to the final sale, is conducted online and can be completed within one minute. Once signed, every client has access to a customized follow-up service, available through Zurich's MiZurich smartphone application or the company's website, the company went on to explain.

A growing number of agents across Spain will be involved in the launch of ZurichEmpresas.es. Zurich believes growth from this initiative will be significant given the more than one million online searches for small business insurance in 2017 in Spain.

"Zurich has chosen Spain as the first European country for the launch and implementation of this digital service, whose main goal is to cover and adapt to the current needs of the market," said Vicente Cancio, Zurich Spain CEO.

The launch of ZurichEmpresas.es reflects Zurich's aim to accelerate the delivery of innovative solutions designed to meet customers' needs across digital channels and products that offer more tailored and convenient solutions, the company said, noting that it is spending over US\$700 million a year globally on new digital initiatives.

[https://www.insurancejournal.com/news/international/2018/02/16/480935.htm?utm\\_source=Insurance+Tech+Newsletter&utm\\_campaign=37b7ea7a9b-InsuranceNL\\_1\\_16\\_2018&utm\\_medium=email&utm\\_term=0\\_0c441eb5f9-37b7ea7a9b-89035253](https://www.insurancejournal.com/news/international/2018/02/16/480935.htm?utm_source=Insurance+Tech+Newsletter&utm_campaign=37b7ea7a9b-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-37b7ea7a9b-89035253)

## Rockingham Insurance selects Guidewire for cloud-based, all-in-one solution

### Insurance

2/16/18

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Rockingham Insurance, one of the ten oldest mutual insurers in the United States, and Guidewire Software, Inc. (NYSE: GWRE), a provider of software products to Property and Casualty (P&C) insurers, today announced that Rockingham Insurance has selected Guidewire InsuranceNow™ to modernize its technology platform and transform the way it does business. The company plans to implement InsuranceNow's All-in-One functionality by line of business in three phases. Rockingham Insurance will start with its dwelling properties line of business and will follow with its other personal lines – auto, homeowners, mobile homeowners and umbrella. The final phase will bring in its commercial lines of business [farmowners, business owners (BOP), etc.]

“Guidewire’s product maturity and market share, as well as their responsiveness, industry knowledge, and track record of successful implementations were important factors in our decision-making process,” said Eugene Vatrik, CIO for Rockingham Insurance. “We look forward to leveraging the best technology and tools available to continue improving upon our success, and our team is excited about what the future holds for our collaboration with Guidewire.”

“Our previous all-in-one system had reached its limits and was no longer being sold on the market,” said Karen Bowman, project manager for Rockingham Insurance. “As a small company, having Guidewire manage our maintenance and updates will enable our employees to focus on their core competency: providing our policyholders with the very best insurance and service we can offer. We expect that they will be able to stay current with our core applications and benefit quickly when technology enhancements and new integrations are introduced.”

InsuranceNow will enable Rockingham Insurance to:

- Enhance operational efficiency and productivity throughout the organization by standardizing policy administration, billing management, and claims handling processes on a cohesive All-in-One technology platform; and
- Increase speed-to-market, business agility, and allow current IT staff to focus on more strategic initiatives to support the business by leveraging cloud technology.

“We are pleased to welcome Rockingham Insurance to the Guidewire community,” said Steve Sherry, chief sales officer, Guidewire Software. “We applaud the company’s mission to evolve its technology foundation, ensuring that it can continue to meet the insurance needs of its policyholders, now and in the future, and protect their assets from perils that threaten their financial well-being. We are excited to begin our work together.”

Guidewire InsuranceNow™ is a cloud-based, all-in-one solution that supports the P&C insurance lifecycle. Its integrated design, out-of-the-box functionality, and guided approach enable fast implementation and quick upgrades.

Cloud-based delivery and ongoing operational support by Guidewire provide insurers the freedom to focus on innovation and respond rapidly to market demands, even when they have limited IT support.

<https://www.guidewire.com/about-us/news-and-events/press-releases/20180216/rockingham-insurance-selects-guidewire-cloud-based>

## Vivametrica signs with Global Reinsurer SCOR to change the insurance game

### Insurance

2/14/18

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Insurance is in many ways a conservative industry that is generally slow to adopt change. However, the pace of adaptation has accelerated recently with innovations in technology and the introduction of insurtechs into the space. Some insurers are leveraging these advances to change the way they do business. Through innovation and willingness to adapt, global reinsurer SCOR, which operates in 160 countries and is the 4th largest in the world, is at the forefront of this paradigm shift in insurance.

"Our partnership with SCOR Global Life proves that new synergies and collaborations are the way of the future for insurance. We are proud to be on this journey with SCOR," said Dr. Rick Hu, CEO of Vivametrica.

As announced by SCOR last week, Vivametrica has signed an agreement to co-develop a novel underwriting and risk assessment model that uses physical activity data to determine the "biological age" of individuals. This technology draws on Vivametrica expertise, clinical research studies, and insurer validated investigations linking physical activity to mortality, and disease risk. Leveraging the power of smartphones and wearable sensors to continuously collect user information, this new model has the potential to change the client-insurer relationship, as well as provide new approaches to underwriting.

This Biological Age Model combines SCOR's extensive knowledge and experience in insurance with the powerful analytics developed by Vivametrica using their one-of-a-kind population database. This has the potential to expedite the application process, allow access to new markets of scale, and engage clients in personal wellness.

"This partnership between Vivametrica and SCOR represents a fundamental shift in the way insurers will leverage technology, wearables, and predictive analytics. By combining Vivametrica's deep knowledge in health, physical activity, and analytics with SCOR's industry leadership and innovative drive, we bring the Biological Age Model that has the potential to change underwriting forever. The industry only benefits from such great partnerships between incumbents and Insurtech start-ups," said Dr. Christy Lane, Co-CEO of Vivametrica.

[http://www.digitaljournal.com/pr/3659252?utm\\_source=Insurance+Tech+Newsletter&utm\\_campaign=37b7ea7a9b-InsuranceNL\\_1\\_16\\_2018&utm\\_medium=email&utm\\_term=0\\_0c441eb5f9-37b7ea7a9b-89035253](http://www.digitaljournal.com/pr/3659252?utm_source=Insurance+Tech+Newsletter&utm_campaign=37b7ea7a9b-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-37b7ea7a9b-89035253)

## Tencent will soon sell insurance to Hong Kong residents with new online tie-up

### Insurance

2/14/18

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UK insurance giant Aviva and its partners Chinese internet major Tencent Holdings and private equity fund Hillhouse Capital have received regulatory approval to launch a digital insurer, Aviva said on Tuesday.

Last January, the 322-year-old UK insurer signed an agreement with Tencent and Hillhouse to sell shares in Aviva Life Insurance Company (Aviva Hong Kong) to turn it into a digital insurer.

Aviva has been operating in the city since February 2002, according to the company.

Tencent will own a 20 per cent stake in the joint venture, while Hillhouse and Aviva will each hold a 40 per cent stake.

“The joint venture has been approved by Hong Kong’s Insurance Authority and is expected to start operating under its new corporate structure during the first half of 2018,” Aviva said.

Insurtech is a fast-growing sector globally, particularly in the US and Europe, and now Asia-Pacific is also catching up. Data from venture capital database CB Insights reveals that insurtech investment globally totalled US\$1.7 billion last year, doubling from 2014.

In 2016, Tencent launched online life insurer Hetai Life Insurance with a group of investors that included Munsun Capital, CITIC Guoan, and Beijing Easyhome Investment Holding. In January 2017, Hetai Life commenced operations after receiving the green light from China Insurance Regulatory Commission.

In 2013, Tencent founded ZhongAn Online Casualty and Property Insurance, the country’s first internet-only insurer along with Alibaba Group Holding affiliate Ant Financial and Ping An Insurance.

ZhongAn went public in Hong Kong last September, raising US\$1.5 billion. Its market value currently stands at HK\$97 billion.

In 2016, Fujian-based Tahoe Investment agreed to buy the life insurance business of Hong Kong’s Dah Sing Financial Group for HK\$10.6 billion.

[http://www.scmp.com/business/article/2133242/tencent-expands-its-digital-insurance-footprint-hong-kong-uk-giant-aviva?utm\\_source=Insurance+Tech+Newsletter&utm\\_campaign=37b7ea7a9b-InsuranceNL\\_1\\_16\\_2018&utm\\_medium=email&utm\\_term=0\\_0c441eb5f9-37b7ea7a9b-89035253](http://www.scmp.com/business/article/2133242/tencent-expands-its-digital-insurance-footprint-hong-kong-uk-giant-aviva?utm_source=Insurance+Tech+Newsletter&utm_campaign=37b7ea7a9b-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-37b7ea7a9b-89035253)

## Swiss Re partners with insurance data firm on underwriting

### Insurance

2/13/18

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SpatialKey Inc. will now offer insurers multiperil hazard data from Swiss Re Ltd. through SpatialKey's proprietary underwriting solution, the Denver-based geospatial insurance technology company said Tuesday.

The collaboration integrates Swiss Re's CatNet hazard data directly into SpatialKey, giving insurers using the platform access to 10 hazards including flood, earthquake, tsunami, wind, hail, tornado, wildfire and storm surge, SpatialKey said in a statement.

"Our collaboration with Swiss Re has enabled us to deliver a global underwriting solution for our industry's most significant catastrophe risks," Bret Stone, president of SpatialKey, said in the statement. "Not only do insurers have hazard-based insights at their fingertips, they can better assess and contextualize that data while balancing available capacity, price and risk all on one platform."

"Traditional CAT models may lack coverage for certain perils or regions, leaving substantial gaps," Peter Hausmann, Zurich-based head of natural catastrophe and engineering solutions at Swiss Re, said in the statement. "In light of last year's heavy catastrophe-related losses, deeper intelligence is needed to underwrite these volatile risks."

Global insured losses due to natural catastrophes soared to an estimated \$136 billion in 2017, up from \$65 billion in 2016, according to Swiss Re.

[http://www.businessinsurance.com/article/20180213/NEWS06/912319155/Swiss-Re-partners-SpatialKey-insurance-data-firm-on-underwriting?utm\\_source=Insurance+Tech+Newsletter&utm\\_campaign=37b7ea7a9b-InsuranceNL\\_1\\_16\\_2018&utm\\_medium=email&utm\\_term=0\\_0c441eb5f9-37b7ea7a9b-89035253](http://www.businessinsurance.com/article/20180213/NEWS06/912319155/Swiss-Re-partners-SpatialKey-insurance-data-firm-on-underwriting?utm_source=Insurance+Tech+Newsletter&utm_campaign=37b7ea7a9b-InsuranceNL_1_16_2018&utm_medium=email&utm_term=0_0c441eb5f9-37b7ea7a9b-89035253)



# PAYMENTS

## Switch unveils Cardsavr API to get cards into e-commerce circulation faster

### Payments

2/23/18

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Healthy credit card circulation is an underestimated aspect of what makes e-commerce work, writes David Penn at Finovate.

In a world where the average consumer carries more than three credit cards and a growing number of consumers are using those cards to shop online, it is critical that the infrastructure that delivers these cards works as seamlessly as possible – as well as for the benefit of all participants in the process.

This is what makes the new technology from Switch so compelling, the vendor says. The Seattle-based company has unveiled Cardsavr, the first API of its kind to give card issuers the ability to get new and re-issued cards into circulation with thousands of online merchants immediately after activation.

According to Switch, its new offering is “the first and only fintech addressing this credit card management issue for consumers, merchants and financial institutions”.

“Until Cardsavr, banks and merchants were held hostage by archaic credit card networks’ issuing and replacement processes and the inability alone to digitally help their cardholders manage online payments,” explains CEO of Switch, Chris Hopen. “This is the first time an API provides all card brands with direct control over a large source of potential and/or lost revenue.”

Switch made its name as a platform that enables consumers to easily manage their credit card accounts. With Cardsavr, the company says it is leveraging its core platform to help issuers and merchants increase or recapture revenues lost through the current, inefficient process.

“Our platform increases both their bottom line around credit card circulation issues and enhances cardholders’ online purchasing experiences. All parties of the e-commerce ecosystem benefit,” Hopen says. He adds that Cardsavr API currently supports thousands of e-commerce sites and leverages machine learning (ML) to add more merchants daily. This enables faster card updates, Hopen explains, which was a feature merchant issuers especially like because of the way getting cards into circulation drives outside spend, as well.

A standard REST API with support for basic CRUD (create, read, update and delete) operations for cards on-file, the Cardsavr API makes it easy for card issuers to integrate Switch’s technology into their online and mobile banking apps, according to the vendor.

Mark Morrison, president and CEO of MountainCrest Credit Union and a member of the focus group that explored the Switch app, agrees: “The Switch application is extremely easy to use and provides a much faster way to pay and shop at card-on-file sites”.

Switch was founded in 2014 and has raised \$1.6 million in funding so far. It says it will name a “significant list” of partners for Cardsavr API soon.

<http://www.bankingtech.com/2018/02/switch-unveils-cardsavr-api-to-get-cards-into-e-commerce-circulation-faster/>

## Canadian startup pilots cryptocurrency mobile wallet

### Payments

2/23/18

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Canadian startup Shakepay has launched a private beta of a multi-currency, P2P mobile wallet that lets users buy and sell bitcoin and other cryptocurrencies. The platform lets Canadians buy bitcoin directly from their phones with a single click. Users can also send and request Canadian dollars and bitcoin, directly on the app, to and from other Shakepay users.

Funds are added to Shakepay mobile wallets via Interac e-transfers and users can cash out their CAD balances to their Canadian bank accounts, with funds being deposited within 24 hours.

Shakepay is charging a 1.75% fee on top of BTC-to-CAD and CAD-to-BTC market rates but there is no fee to send and receive CAD and BTC to and from other Shakepay users or to transfer CAD to the mobile wallets.

Montreal-based Shakepay raised \$1 million last year from Boost VC, Amphora Capital, and a handful of angel investors. The firm has also just joined the latest cohort of Creative Destruction Lab at the Rotman School of Management at the University of Toronto.

Roy Breidi, co-founder, Shakepay, says: "We are committed to working towards a seamless crossover between the current financial system and the digital asset world. We are driven to build products that meet the exploding consumer demand in the space."

Meanwhile, Interac has revealed that the e-transfer service being tapped by Shakepay saw its popularity soar last year. Consumers and businesses made more than 241 million transactions, worth a total of more than \$92 billion - a 52% volume increase and 44% increase in total value.

[https://www.finextra.com/newsarticle/31723/canadian-startup-pilots-cryptocurrency-mobile-wallet?utm\\_medium=newsflash&utm\\_source=2018-2-23&member=93489](https://www.finextra.com/newsarticle/31723/canadian-startup-pilots-cryptocurrency-mobile-wallet?utm_medium=newsflash&utm_source=2018-2-23&member=93489)

## Instarem teams with Ripple for Southeast Asia payouts

### Payments

2/22/18

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Singapore-based digital payment provider Instarem has partnered with Ripple to offer payouts for its RippleNet members in Southeast Asia.

RippleNet is its enterprise blockchain network of banks and other financial institutions which provides real-time messaging, clearing and settlement of transactions.

The new partnership will allow RippleNet to offer its corporate and SME customers “hassle-free” payouts to a number of destinations in the region.

Patrick Griffin, head of business development at Ripple, says: “Whether it’s a teacher in Singapore sending money to his family in Thailand, or a small business owner in Malaysia trying to move money to open up a second store in another country, it’s imperative that we connect the world’s financial institutions into a payments system that works for customers, not against them.”

Instarem was founded in 2014 and is licensed as a money services business (MSB) in Singapore, Hong Kong, Australia, US, Lithuania, Canada, India and Malaysia.

According to the firm, it powers local payments to more than 60 countries and 3.2 billion people across the globe.

<http://www.bankingtech.com/2018/02/instarem-teams-with-ripple-for-southeast-asia-payouts/>

## SegWit adopted by World's two biggest exchanges

### Payments

2/21/18

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Bitfinex and Coinbase, cryptocurrency exchanges from Hong Kong and San Francisco respectively, announced yesterday that they will now be accepting payments and withdrawals in Bitcoin from wallets updated with 'segregated witness'.

Segregated witness, or SegWit, is an update of the Bitcoin blockchain. It enlarges the blocks which make up the chain, which allows for faster transactions speeds, lower transaction fees, and improved security.

It does this by separating signature and transaction data. All transactions in the blockchain are approved by a digital signature, and in the original chain these two sets of data are stored together, taking up a certain amount of storage space. By removing the signature code from the middle of the transaction data and storing it as an attachment at the end, the signature storage size is greatly reduced.

As a result of this upgrade, the 1 MB blocks that make up the Bitcoin blockchain effectively grow to a size of 1.8 MB. Larger blocks mean faster transaction times, because larger blocks support more activity.

Another advantage of this upgrade is security. Previously, signature security was flawed because the signature (known as 'witness data') didn't cover all of the transaction data, meaning that there were several methods through which it was possible to alter the signature, leading to bitcoins being lost and stolen. This weakness is known as transaction malleability. Separating the signatures makes them clearer and unmalleable.

The SegWit upgrade was activated in August of 2017, but as of now only about 12% of Bitcoin transactions are utilising it. Bitfinex and Coinbase together handle well over half of the world's Bitcoin trading volume, and so this figure is likely to grow significantly.

Bitfinex CTO Paolo Ardoino said: "By supporting SegWit addresses, Bitfinex is tackling three of the biggest crypto-enthusiast concerns: transaction fees, transaction speed, and total network capacity. We are delighted that through this implementation we can provide our customers with bitcoin withdrawal fees that are up to 20 percent lower, as well as faster-than-ever transaction speeds."

[https://www.financemagnates.com/cryptocurrency/news/segwit-adopted-worlds-two-biggest-exchanges/?utm\\_source=daily\\_newsletter&utm\\_medium=email&utm\\_campaign=21.02.18](https://www.financemagnates.com/cryptocurrency/news/segwit-adopted-worlds-two-biggest-exchanges/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=21.02.18)

## Discover launches cashback checking account

### Payments

2/21/18

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Discover, the payments company, announced news on Tuesday (Feb. 20) of the debut of a new rewards program for its Cashback Checking account, in which customers can earn cash back after completing debit card purchases. In a press release, Discover said that with the new program, Discover Cashback Checking customers can earn 1 percent cash back on up to \$3,000 in qualifying debit card purchases each month. The program is one of the initiatives Discover said is setting its Cashback Checking product apart from its peers. The product includes no monthly fee, no minimum balances and access to no-fee ATMs throughout the U.S.

“We know customers are looking for something truly different, which is why we created a checking account that not only rewards customers with cash back when they use their own money, but also helps them save by not charging any fees,” said Arijit Roy, vice president of Deposits at Discover, in the press release. “Discover Cashback Checking was developed with the same great features and benefits for which our company is known, such as award winning, 100 percent U.S.-based customer service and the peace of mind knowing we take proactive steps to safeguard your money and information.”

Discover said customers can get their cash back bonuses transferred to a Discover credit card Cashback Bonus account.

In addition to the cash back offer, Discover said the Cashback Checking account has no monthly fees, no-fee access to more than 60,000 ATMs in the U.S., 24/7 customer services and online and mobile account access.

This isn't the only initiative Discover has begun in recent weeks to make consumers' lives easier and more rewarding when they use Discover payment cards. In December, the company announced that as of April 2018, customers will no longer be required to provide a payment signature when they make retail purchases with their credit card or debit card at the point of sale (POS) when it's on the Discover Global Network in the United States, Canada, Mexico and the Caribbean.

In a press release at the time, Discover said the change was prompted by the company's efforts to improve the payment experience by speeding up the checkout process, all while maintaining a high level of credit card security for customers and merchants. Discover said it has already embraced several other digital authentication technologies — such as tokenization, multi-factor authentication and biometrics, which are more secure than requiring a signature and provide a more seamless payment transaction.

<https://www.pymnts.com/news/merchant-innovation/2018/discover-cashback-checking-rewards/>

## Ripple makes new connections to emerging markets

### Payments

2/21/18

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Ripple has announced deals with two banks and three payment processors across India, Brazil and China, as the firm seeks to make good on a promise to transform payment flows into and out of emerging markets. Itaú Unibanco, Brazil's largest private sector bank, IndusInd in India and Singaporean money transfer outfit InstaReM have announced plans to use Ripple's enterprise-ready ledger product xCurrent to provide real-time cross-border payments to other financial institutions around the world.

Two fast growing remittance providers, Beetech in Brazil and Zip Remit in Canada, have also come onboard, using Ripple's xVia API to open payment corridors for their customers around the world. Additionally, both will look to establish a connection for their customers into China via e-commerce network LianLian, which signed up to RippleNet last month.

According to the World Bank, global remittance payments are on track to grow by 3.4 percent or roughly \$466 billion in 2018, with India and China having the highest incoming flows in 2017.

Patrick Griffin, Ripple's head of business development, believes that providing faster cross-border transactions at a lower cost is especially crucial for customers in emerging markets.

"The payments problem is a global problem, but its negative impact disproportionately affects emerging markets," said Griffin. "Whether it's a teacher in the U.S. sending money home to his family in Brazil, or a small business owner in India trying to move money to open up a second store in another country, it's imperative that we connect the world's financial institutions into a payments system that works for their customers, not against them."

[https://www.finextra.com/newsarticle/31708/ripple-makes-new-connections-to-emerging-markets?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31708/ripple-makes-new-connections-to-emerging-markets?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## Big guns team up for Marco Polo blockchain trade finance initiative

### Payments

2/21/18

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The big names are out in force for a new blockchain-fuelled trade finance initiative called Marco Polo.

Since launching in September 2017, with BNP, Commerzbank and ING as core banks, the initiative has attracted interest from others, with additional banks including Standard Chartered, DNB, and OP Financial Group joining in recent months.

The backbone is courtesy of the TIX platform from TradeIX and Corda via enterprise software firm R3. The duo is piloting it using distributed ledger technology (DLT) following a “successful” proof of concept (PoC).

Jacques Levet, head of transaction banking EMEA BNP Paribas, says the PoC is “an important milestone in this project” and “the fact that more banks have joined also illustrates the interest in this project and in the potential of DLT in supply chain finance solutions”.

According to all the gang members, the solution enables “end-to-end, real-time, seamless connectivity between trade participants, eliminating the data silos which prevent free flow of information causing inefficiencies and discrepancies”.

Initially the solution is focused on three distinct areas: risk mitigation by provision of payment commitments based on the matching of trade data, payables finance, and receivables finance.

The collective ambition is to expand the initiative in 2018 to include additional banks and third party service providers, such as credit insurers, enterprise resource planning (ERP) and logistics providers.

Microsoft is also involved as it providing its Azure cloud solution to R3 and TradeIX to “speed this solution to market”.

### Law and Luxembourg

In two separate developments, and as reported yesterday (20 February), R3 and BNP have been busy.

R3 launched its Legal Centre of Excellence as a platform for the legal community to get the latest updates and share practices regarding blockchain and Corda.

While BGL BNP Paribas is buying all the outstanding shares in ABN Amro (Luxembourg) and its fully owned subsidiary ABN Amro Life as the latter sees no future for its wealthtech business in the country.

<http://www.bankingtech.com/2018/02/big-guns-team-up-for-marco-polo-blockchain-trade-finance-initiative/>

## Zonafide blockchain brings bona fide touch to Atos

### Payments

2/21/18

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European IT services company Atos has turned to genuine blockchain firm Zonafide to help combat identity theft and cybercrime.

The deal will see Atos assist their clients in the use of Zonafide's blockchain-based technology in "processing life events such as marriage and deaths". Atos' clients span a lot of industries and sectors, including £3 billion of UK Government contracts.

Fintech is certainly involved in case you zoned out briefly as Zonafide says its mobile app helps prevent fraud and cybercrime by securing activities – such as payments or updating personal details with a bank.

Ivo Luijendijk, group industry director data analytics, IOT and blockchain at Atos, adds: "Discussions with Zonafide have been greatly appreciated by our clients and we have already identified a prospect. I think this will be a fruitful partnership for both Atos and Zonafide."

Paul Worrall, founder of Zonafide, says there are "many more potential applications that we look forward to working with Atos on".

You may recall last month when Atos unleashed three new initiatives to improve its partner programme and tap into fintechs, insurtechs and regtechs with financial services businesses. So Atos' interest in our sector is well known.

Back to Zonafide, which says its blockchain network is decentralised, which "avoids the inflexibility, costs and weaknesses embedded in centralised systems".

In addition to providing Zonafide's software, the firm's founders will also be hosting blockchain-focused workshops with Atos' senior management, to "further embed their knowledge of the technology's potential and to discuss commercial opportunities".

Worrall has over 30 years' experience in distributed computing and software development in investment banking. He worked at JP Morgan Chase for six years.

UK-based Zonafide was founded in 2014. Worrall is also the founder of Interition, a firm that applies semantic web technology to the management of enterprise software and its deployment environment.

<http://www.bankingtech.com/2018/02/zonafide-blockchain-brings-bona-fide-touch-to-atos/>

## Google Pay's big global rollout begins

### Payments

2/20/18

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Google announced last month that it was bringing Android Pay and Google Wallet together under the new Google Pay brand. Today, the big rollout begins, with the new Google Pay-branded app now available through Google Play.

If you already have the Android Pay app installed, it appears you won't need to do anything. However, the app currently still shows up as "Android Pay" on your phone, despite appearing as "Google Pay" through the Google Play store on the web. The transition is evidently still underway.

### Muddy waters

Google's digital payment setup has so far been a little muddy, given that Android Pay was for online, in-app, and retail purchases using an Android phone, while Google Wallet was a P2P payment service for those with a debit card or bank account in the U.S. or U.K. and worked on Android and iOS.

Google Pay represents the company's attempt to unify and simplify its digital payments service across the web, in apps, in stores, and through peer-to-peer (P2P) payments. It also constitutes the service formerly known as Pay With Google, which is an API that allows merchants to offer online shoppers a simpler way to enter their payment details at checkout.

Those in London, Kiev, and Portland will also be able to use Google Pay on public transport from today, and more cities will be added soon.

Though the official Google Pay rollout kicks off today, the company said it's planning on adding new features further down the road and will eventually add support across "all Google Products," including Google Assistant. P2P payments aren't yet available through Google Pay either, with the company noting that those in the U.S. and U.K. will be able to send and request money "within the next few months." Indeed, the Google Wallet app is no more, and it will be rebranded as Google Pay Send, which is presumably a temporary makeover until the company manages to integrate its features into the core Google Pay app.

Today is just the first step in Google Pay's big rollout. What this means is that you will start seeing the Google Pay sign everywhere, both online and in the physical world, where Android Pay has hitherto been made available. Ultimately, Google wants you to automatically turn to Google Pay when making payments anywhere. So rather than designating Android Pay for in-store purchases, PayPal for one-tap shopping online, and Venmo for P2P payments, this amalgamation is designed to position Google Pay as a one-stop-shop for all your transactions.

[https://venturebeat.com/2018/02/20/google-pays-big-global-rollout-begins/?utm\\_medium=email&utm\\_source=fintechweeklycom](https://venturebeat.com/2018/02/20/google-pays-big-global-rollout-begins/?utm_medium=email&utm_source=fintechweeklycom)

## Fintech bank Tandem launches credit card

### Payments

2/20/18

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Tandem has launched a credit card that offers users cashback on all purchases. The new card, which is the first UK product launched by Tandem, combines cashback deals with no overseas transaction fees, the Mastercard exchange rate and real-time spending updates.

It will carry an APR of 18.9 per cent, which Tandem acknowledges is not the cheapest option on the market. But the newly-licenced bank says that it will not encourage customers to spend beyond their means (thus incurring fees). It sees the ability to borrow as a useful tool – but not one that should be depended on.

The card is interest-free for up to 56 days (including a 25 day grace period). Interest will be charged on purchases if a customer fails to repay their full statement balance on their payment due date, which falls 25 days after their statement date. If a customer falls behind payments in this way, they will continue being charged interest on all purchases, including new purchases, until they've been repaid in full. While behind on payments, the grace period does not apply. Cash withdrawals will be charged interest on from the day of the withdrawal – but these do not affect the grace period on purchases.

“We took a close look at the lifestyle, values and spending behaviours of our customers and produced a card that helps you earn as you spend, spend abroad without worry, and borrow as it suits you,” said Sven Schindele (pictured), senior product manager at Tandem. “We hope our customers find the card a helpful companion in all situations in life at home and abroad.”

Customers will earn 0.5 per cent cashback on all purchases on a monthly basis. They will also receive free protection on purchases of over £100 – protecting them in case of, say, a retailer going bust.

The card is also closely integrated with the Tandem app, allowing users a good oversight of their spending whether at home or abroad. The cards are available in four vibrant colours for the first wave of sign-ups. Vibrancy of colour is, it would seem, as typical of neo-bank cards as the absence of overseas transaction fees.

Tandem finally got over the hump that is becoming a fully-fledged bank in January when it announced the acquisition of the 125 year old Harrods Bank. The splurge gave Tandem £80m of equity capital, as well as a £375m mortgage book, over £400m of deposits and more than 10,000 new accounts..

[http://www.altfi.com/article/4087\\_fintech\\_bank\\_tandem\\_launches\\_credit\\_card](http://www.altfi.com/article/4087_fintech_bank_tandem_launches_credit_card)

## Monzo launches API with Moneybox, Starling Bank expands its payments

### Payments

2/20/18

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Announced today, challenger bank Monzo has opened up its recently launched API to Moneybox, an app which rounds up purchases and invests the small change into simple tracker funds.

Since its launch in August 2016, Moneybox manages over 1m transactions each week to help its users save and grow their money through its service. As a result of January's Open Banking and PSD2 regulatory releases, Moneybox expects to be able to expand its user base further through additional partnerships with both fintech firms and traditional banks like Santander in the near future.

The app has already established connections with others in the space, including the rival Starling Bank back in April 2017. Moneybox gained FCA authorisation last month, after becoming the fifth financial services firm to launch its own competitively-priced Lifetime ISA (LISA) in December.

Ben Stanway, co-founder of Moneybox said: "Offering round ups to Monzo users has been one of our most popular feature requests since we launched Moneybox. We've had thousands of people asking for this integration and are delighted to launch it today.

"We're currently working on a number of other integrations and believe the Open Banking initiative will enable us to help many more people start saving and investing towards their future."

Similarly, Starling Bank's payments services business has today announced an API integration with payments fintech Soldo, which allows businesses to control company spending by providing employees with customisable prepaid cards and business accounting software. The integration means that Soldo can now offer UK bank account numbers and sort-codes.

Starling has also become the first UK challenger bank to offer Merchant Acquiring alongside its payment services. The platform has said the addition will allow its business banking customers, small to mid-size retailers and clients of its payments services to accept card payments from major payment schemes like Visa, Mastercard and American Express.

Julian Sawyer, COO at Starling Bank, said: "The rollout of Merchant Acquiring is an important milestone for Starling as we seek to join the dots of the payments value chain and offer new services that continue to benefit our customers. Our goal is to offer next generation acquiring services simply, quickly, and cost-effectively – so that our customers can focus on what's really important to their business."

Monzo's API has had a quick uptake since it went live to coincide with Open Banking's launch in January, already attracting partnerships from other fintech firms like personal finance app Emma and an API integration with TrueLayer.

Tom Blomfield, CEO and co-founder of Monzo added: "At Monzo, our mission is to give people more choice and more control over their money, and everything it touches. Through integration with our API, users can access helpful tools like Moneybox to help them save, grow or manage their money in a safe, secure way."

[http://www.altfi.com/article/4086\\_monzo\\_launches\\_api\\_with\\_moneybox](http://www.altfi.com/article/4086_monzo_launches_api_with_moneybox)

## Western Union experiments with Ripple's 'xRapid'

### Payments

2/19/18

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Ripple's relationship with Western Union has been rumoured about for months, but it wasn't until last week that Western Union officially confirmed that it has been testing transactions using Ripple's platform.

Western Union CEO Hikmet Ersek told Bloomberg that the Ripple experiments are part of a larger exploration of blockchain technologies: "We are looking especially in the processing settlement and working capital optimization, also in the regulation part, on the compliance part on the blockchain capabilities. And we do test, we do have some tests with Ripple."

Ripple released a statement on February 14: "We've been testing different products with Western Union for a while. We're excited about our work towards a pilot implementation of xRapid, which uses XRP in payment flows."

On its official website, Ripple explains xRapid as a solution for "payment providers and other financial institutions who want to minimize liquidity costs while improving their customer experience." xRapid trades XRP tokens against local currencies to cheaply and quickly provide liquidity in international transfers.

Neither Western Union nor Ripple mentioned whether or not the RippleNet (which does not typically use XRP tokens for international transfers) was being tested. It's also unclear whether or not the relationship will expand beyond this testing phase.

MoneyGram, another global money transfer service, adopted xRapid in January, causing a spike in the price of XRP tokens.

[https://www.financemagnates.com/cryptocurrency/news/rumors-true-western-union-experiments-ripples-xrapid/?utm\\_source=daily\\_newsletter&utm\\_medium=email&utm\\_campaign=19.02.18](https://www.financemagnates.com/cryptocurrency/news/rumors-true-western-union-experiments-ripples-xrapid/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=19.02.18)

## iFresh announces the acceptance of Alipay online and in stores nationwide

### Payments

2/15/18

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iFresh, Inc. (NASDAQ: IFMK), (“iFresh” or “the Company”), a leading Asian American grocery supermarket chain and online grocer, announced today that iFresh customers will soon be able to pay for items using Alipay’s Mobile Wallet. Alipay is a leading digital payment platform operated by Ant Financial, and a popular means of online and mobile payment for Chinese consumers. Once available, iFresh will provide Alipay services online and in stores in the U.S. through the activation and implementation support of CITCON, a leading cross-border mobile payment and marketing solutions provider that helps connect merchants with Chinese mobile wallet users.

“Electronic wallets and mobile e-commerce are continuing to gain popularity due to the rise of easy-to-use mobile devices,” Long Deng, Chairman and CEO of iFresh, commented. “We are pleased to partner with Alipay and CITCON as we keep optimizing our service to provide a secure, trustworthy and convenient online and in-store shopping experience. It allows students and tourists from China to shop with us seamlessly. As the first local supermarket chain to accept Alipay, we are looking forward to a revenue growth.”

“Many Chinese consumers shop at specialty grocery stores in the U.S. where they can find Asian foods and other products that may not be available at local supermarkets,” said Souheil Badran, President, Alipay Americas. “By accepting Alipay at the register, iFresh will provide both in-store and online customers with the ability to pay using a familiar payment method, diminishing any language or payment barriers they may have otherwise faced. We are thrilled to partner with iFresh to give their customers the best shopping experience possible whether they are living or visiting in the U.S.”

[http://www.paymenteye.com/announcements/ifresh-announces-the-acceptance-of-alipay-online-and-in-stores-nationwide/?utm\\_source=paymenteye&utm\\_medium=email&utm\\_campaign=newsletter&utm\\_content=2018-02-19-paymenteye-payments-roadblocks-swift-late-payments&mkt\\_tok=eyJpIjoiWWpnek9ESTVZak0xT0dVeClInQioiJoNUYrRmZaQTF6Q2lqNnNXcmZPbFwvaEpXZWNKNjhGTWRZUIM1ZjIQQnhIbUhvRG9aUEpsckpmenBxNmdTZm1Sc1wvVzhQbmkpSIVIMlwvZ1JzM0d6TVhyaFIJaWlqNmFyZVVvXC9DNjd1d3AzMUINZndaQk5vMFwvdU9taVp0UU8rRFwvMyJ9](http://www.paymenteye.com/announcements/ifresh-announces-the-acceptance-of-alipay-online-and-in-stores-nationwide/?utm_source=paymenteye&utm_medium=email&utm_campaign=newsletter&utm_content=2018-02-19-paymenteye-payments-roadblocks-swift-late-payments&mkt_tok=eyJpIjoiWWpnek9ESTVZak0xT0dVeClInQioiJoNUYrRmZaQTF6Q2lqNnNXcmZPbFwvaEpXZWNKNjhGTWRZUIM1ZjIQQnhIbUhvRG9aUEpsckpmenBxNmdTZm1Sc1wvVzhQbmkpSIVIMlwvZ1JzM0d6TVhyaFIJaWlqNmFyZVVvXC9DNjd1d3AzMUINZndaQk5vMFwvdU9taVp0UU8rRFwvMyJ9)



**SECURITIES**

## Blockchain-based mutual funds network IZNES welcomes new participants

### Securities

2/22/18

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Five asset management companies have joined with SETL and OFI Asset Management as shareholders in IZNES, the blockchain-powered record-keeping platform for mutual funds. IZNES was launched in 2017 in partnership with four French asset managers with the intention of going into full production in early 2018. Following live runs with OFI, initial participants Arkéa IS, Groupama AM, La Banque Postale AM, La Financière de l'Échiquier and Lyxor AM, have now come onboard as fully paid-up shareholders.

SETL says the collaboration gives IZNES the necessary means and support for the deployment and production phase expected for 2018 in France and in Luxembourg.

For this phase, thirteen new asset management companies officially join the project as contributors to the development of the platform: Allianz GI, Amundi, Aviva Investors, BDL Capital Management, BNP Paribas AM, Candriam Investors Group, La Française, Lazard Frères Gestion, Mandarin Gestion, Natixis AM, Pléiade AM, SMA Groupe and Sycomore AM.

Pierre Davoust, CEO of IZNES, states: "With 20 asset managers, representing together more than 5 trillion EUR of assets under management, IZNES now benefits from a solid market backing and becomes a central market infrastructure. We now focus our efforts on the delivery of the commercial version of IZNES, which will occur this year."

The investment funds industry is notorious for its convoluted post-trade processes with numerous intermediaries adding time and cost to the transaction lifecycle. Consequently there has been much anticipation about the potential for distributed ledger technology to add much needed efficiency.

Fund processing network Calastone, which is currently migrating its underlying network to a blockchain-based platform, believes that the introduction of the technology has the potential to strip out more than £1.9bn in costs from the current transaction lifecycle.

[https://www.finextra.com/newsarticle/31718/blockchain-based-mutual-funds-network-iznes-welcomes-new-participants?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31718/blockchain-based-mutual-funds-network-iznes-welcomes-new-participants?utm_medium=newsflash&utm_source=2018-2-22&member=93489)

## Robinhood launches commission-free cryptocurrency trading in select states

### Securities

2/22/18

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Commission-free investing app Robinhood today announced the official launch of its much-anticipated cryptocurrency feature, allowing US customers to explore Bitcoin and Ethereum trading alongside traditional investment products.

The free stock-trading app joins a short list of US-based brokers that offer cryptocurrency trading products. There will be a waiting list, and Robinhood will onboard customers at a rate at which it can support them.

The company initially launched two crypto trading pairs for residents in five states – California, Massachusetts, Missouri, Montana and New Hampshire. By mid-2018, the trading app will make the new instruments available nationwide, with its newly created unit Robinhood Crypto planning to roll out the service gradually as other US states will be following in waves.

In a further move to enhance the offering, the company has launched Robinhood Feed, which allows all users to track market data, news, and create price alerts for 16 cryptocurrencies.

Robinhood seeks to carve out its niche by letting traders buy and sell cryptocurrency for \$0 a trade. In doing so, the company plans to make money from order flows, a common tactic used by discount brokers to generate revenue by directing orders to certain trading venues. The company also receives interest on unused cash deposits from user accounts and offers a premium paid account for \$10 per month, which gives users added features.

The six-year-old startup has been growing at an explosive rate. For now, Robinhood is able to float its free platform through compromises such as not having many physical locations, maintaining only a small staff for client service, and not spending on massive promotional campaigns.

Announcing the official launch, the company said in a statement: “Over the past few weeks, we’ve been overwhelmed by the enthusiasm towards Robinhood Crypto and are excited to contribute to the cryptocurrency community in a meaningful way. Together, we reached four million users and well over \$100 billion in transaction volume on our brokerage platform, leading to over \$1 billion in commissions saved in equity trades. With the release of Robinhood Crypto, we’re continuing our mission of making the financial system work for everyone, not just the wealthy.”

[https://www.financemagnates.com/cryptocurrency/news/robinhood-launches-commission-free-cryptocurrency-trading-select-%E2%80%8Estates/?utm\\_source=daily\\_newsletter&utm\\_medium=email&utm\\_campaign=23.02.18](https://www.financemagnates.com/cryptocurrency/news/robinhood-launches-commission-free-cryptocurrency-trading-select-%E2%80%8Estates/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=23.02.18)

## Investech ShareIn partners with Triodos for first UK bank crowdfunding platform

### Securities

2/19/18

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Edinburgh-based tech solution for online investment ShareIn has announced a partnership with Triodos for its new platform Triodos Crowdfunding, the first crowdfunding platform to be launched by a UK bank.

The platform will offer eligible investors the opportunity to invest in both equity and bonds issued by established charities and businesses in the ethical finance sector, funding projects which deliver positive social and environmental impacts.

ShareIn will be supporting the effort alongside its other partnerships based within impact crowdfunding, including Lendahand Ethex who have raised over £2m for solar projects in Africa, and Mongoose Crowd who fund community renewable energy projects.

Andrew Pickett, Co-founder of ShareIn said: “Working with Triodos, who are very well respected in the ethical finance sector and have raised more than £130 million to fund over 50 impact projects in the past 15 years, is a fantastic win for ShareIn.”

Founded in 2011, ShareIn are founding members of the UK Crowdfunding association. The platform has also announced 2017 as a significant period of growth, after seeing its year-end revenue triple to land in the region of £700k. ShareIn hopes to use its profitability to further expand its staffing team.

ShareIn CEO Jude Cook added: “Andrew and I are really proud of the brilliant team that we’ve been able to build. It’s quite unusual in a tech business to have more women in the company than men. We always hire the best person for the job but we’re lucky that great women keep applying, [as] 12 of the 17 team members are women.”

Last week saw UK MP Nicky Morgan call out several firms in fintech for having not signed up to the Women in Finance charter, which caused a stir among some senior executives in the sector.

[http://www.altfi.com/article/4083\\_investech\\_sharein\\_partners\\_with\\_triodos\\_for\\_first\\_uk\\_bank\\_crowdfunding\\_platform](http://www.altfi.com/article/4083_investech_sharein_partners_with_triodos_for_first_uk_bank_crowdfunding_platform)

## Jyske Bank to launch robo-advisory service using Munnypot platform

### Securities

2/21/18

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UK robo-advisor Munnypot has secured its first white-label deal with Denmark's Jyske Bank. Jyske Munnypot will go live before the summer, providing regulated investment advice to help customers meet pre-defined goals.

Launched in January last year, Munnypot provides a WhatsApp style 'chat-based' user-interface that advises people on their savings and investment decisions. The service monitors the investment 24/7, notifying the customer and providing actionable advice if the investment performance deviates away from the goal.

CEO and co-founder of Munnypot, Andrew Fay, says: "We know, first hand, the time and resources required to build a robust online investment advice proposition and that for most firms, partnering is the best and most efficient route to developing an innovative, client-engaging service."

[https://www.finextra.com/newsarticle/31711/jyske-bank-to-launch-robo-advisory-service-using-munnypot-platform?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31711/jyske-bank-to-launch-robo-advisory-service-using-munnypot-platform?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## FCA and CFTC to collaborate on fintech innovation

### Securities

2/20/18

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The Financial Conduct Authority (FCA) and the US Commodity Futures Trading Commission (CFTC) have signed an arrangement that commits the regulators to collaborating and supporting firms through each other's fintech initiatives – LabCFTC and FCA Innovate.

The Cooperation Arrangement on Financial Technology Innovation (Fintech Arrangement) focuses on information-sharing regarding trends and developments within the market. It also facilitates referrals of companies interested in entering the different markets, and sharing information and insight derived from each authority's relevant sandbox, proof of concept, or innovation competitions.

Andrew Bailey, chief executive of the FCA, comments: "International borders shouldn't act as a barrier to innovation and competition in financial services and that is why agreements like the one we have signed with the CFTC, forward looking and proactive regulators, are so important." "The FCA's Project Innovate is the gold standard for thoughtful regulatory engagement with emerging technological innovation," says CFTC chairman J. Christopher Giancarlo. This is the first innovation arrangement for the CFTC with a non-US cooperation.

The Fintech Arrangement follows the creation of FCA Innovate in October 2014 and LabCFTC in May 2017. Among other activities, these initiatives were set up to help businesses with innovative ideas navigate the regulatory landscape and engage with the regulator.

To date, the FCA's Innovation Hub has supported over 500 businesses and the authorisation of 43 businesses.

LabCFTC has engaged with over 150 entities since its launch last year, published its first primer on the topic of virtual currencies, and soon will seek public feedback on a planned 2018 innovation competition.

<http://www.bankingtech.com/2018/02/fca-and-cftc-to-collaborate-on-fintech-innovation/>

## UK Investment Association unleashes fintech accelerator

### Securities

2/19/18

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The UK's Investment Association (IA) will be launching a fintech accelerator for the asset management industry.

The new IA Accelerator – called VeloCity – will be unveiled in Q2 this year, and for “the first time” will bring together firms with “market-viable” technology tailored to the sector, supported by industry practitioners from across the IA membership.

Chris Cummings, chief executive of the IA, says: “To remain globally competitive, the UK asset management industry must be restless in its quest for innovation and reinvention. Fintech firms are a key element in this process, driving innovation across the asset management industry to the benefit of investors, savers and pensioners.”

VeloCity will welcome two cohorts a year of four to eight firms and assist them in turning their technology into business-ready solutions.

These solutions are set to include machine learning and artificial intelligence (AI), distributed ledger technology (DLT), cloud-based infrastructure and big data to develop solutions applicable from mid and back office operations, to fund distribution and marketing.

Participant firms will join for a fixed six-month tenure, culminating in a demonstration day to industry representatives and stakeholders.

Firms will also get the use of a bespoke co-working space and guidance from experts drawn from related financial and professional services sectors.

The IA has 250 members who manage £6.9 trillion of assets and employ 93,500 people across the UK.

According to the IA, the UK is the second largest investment management centre in the world, after the US and manages 37% of all assets managed in Europe.

<http://www.bankingtech.com/2018/02/uk-investment-association-unleashes-fintech-accelerator/>

## Centroid Solutions launches broker risk management products for MT5

### Securities

2/16/18

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Centroid Solutions, a provider of risk management technology solutions for FX brokers, has launched new broker-oriented products centered on the Metatrader 5 trading platform.

The new products were designed to be easily integrated and synchronized with MT5, utilizing data extracted from the trading platform to apply Centroid's technological prowess to yield actionable risk management suggested practices.

Centroid has focused the development of the new products on the automation of risk management processes, by applying real-time analytics tools to simplify exposure management and assess the risk level of brokers at any given time.

The tools can provide beneficial information that can help brokers to improve their analysis of P/L, across A, B, and C Books.

With FX brokers in mind, the new products were created in a set of four functionality modules. The first category is Centroid 24, which provides advanced risk management features for brokers. Centroid 24 enables the real-time management of risk exposure levels, across various data sets.

More specifically, brokers are able to assess their levels of risk, across a given portfolio, asset class, instrument, specific client accounts, or trade data.

By enabling brokers to analyze the scope of their risk levels, in many different specifications, it provides a more detailed and concise representation of the true risk that a broker faces at any given time.

Centroid 24 also allows for real-time analysis of P/L, which again clarifies the full picture of a broker's trading activity, for any risk management category – A, B, and C Books.

In addition to granting brokers a detailed analysis of their existing risk exposures, the Centroid 24 product has the capacity to run simulations of the effects of price movements on their risk level and P/L alike.

Furthermore, the system can analyze historical data to induce actionable results of future company performance.

[https://www.financemagnates.com/forex/technology/centroid-solutions-launches-broker-risk-management-products-mt5/?utm\\_source=daily\\_newsletter&utm\\_medium=email&utm\\_campaign=16.02.18](https://www.financemagnates.com/forex/technology/centroid-solutions-launches-broker-risk-management-products-mt5/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=16.02.18)

## Paymium launches European cryptocurrency trading Platform Blockchain.io

### Securities

2/15/18

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Paymium has announced that it is preparing to launch a new cryptocurrency exchange in Europe. The company that was founded in 2011 by Pierre Noizat and Gonzaque Grandval was one of the first companies that were adhering to the EU's regulatory framework when it deployed a platform for exchanging bitcoins for euros.

Since the company was founded it has raised over €2 million from Xavier Niel's investment fund KIMA Ventures, Newfund, Galitt, BPI France and from angel investors. The firm has been investing in R&D and it is today announcing the next phase of the company's development.

Paymium is aiming to leverage its user base of 170,000 people and launch an exchange that offers an advanced trading interface. The company is elaborating in an initial communique that it will focus on security, reliability and transparency.

The CEO of Paymium, Pierre Nouzat elaborates: Communities around the world are creating their own currencies, expressing a new form of sovereignty and contributing to the construction of the Internet of Value. A cryptocurrency exchange like blockchain.io allows people to trade seamlessly between multiple digital currencies thereby offering the simplest access to the internet of value."

The firm has not published details about when is it expecting to start on-boarding traders and officially launch the product.

[https://www.financemagnates.com/forex/brokers/paymium-launches-european-cryptocurrency-trading-platform-blockchain-io/?utm\\_source=daily\\_newsletter&utm\\_medium=email&utm\\_campaign=16.02.18](https://www.financemagnates.com/forex/brokers/paymium-launches-european-cryptocurrency-trading-platform-blockchain-io/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=16.02.18)



# **SPECIALTY FINANCE / ALTERNATE LENDING**

## P2P lender to smooth applications through Open Banking initiative

Specialty Finance / Alternate Lending

2/21/18

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Practical applications of innovation linked to Open Banking are beginning to surface.

Peer-to-peer lending platform Lending Works has announced a partnership with disruptive credit bureau Credit Kudos, with a view to speeding up access to credit for a broader range of customers.

Credit Kudos is a technology-driven bureau that places greater emphasis on financial behaviour than incumbents in the field. Authorised as an Account Information Service Provider (AISP), it is able to access transactional data held by nine of the largest UK banks under the new Open Banking rules.

By using this technology, Credit Kudos hopes to empower Lending Works to offer instant, fully automated credit to 90 per cent of its borrowers. Approximately 60 per cent of those borrowers already enjoy fully automated (and so instantaneous) decision making, while the remainder are by necessity subjected to manual checks.

The partnership hinges on the ability to automatically populate forms, verify income and help demonstrate creditworthiness – all within a heartbeat.

“With Open Banking, customers now have control of their own financial data. Lending Works and Credit Kudos are using Open Banking to provide borrowers with a faster and easier way to verify income and demonstrate creditworthiness,” said Freddy Kelly, CEO of Credit Kudos.

Zopa, an older and larger rival to Lending Works, struck a similar partnership in early February when it teamed up with TrueLayer to support a revamped income verification process using data made available by Open Banking rules.

Lending Works boss Nick Harding called Credit Kudos an “early leader in their market” with a bright future in powering Open Banking services.

[http://www.altfi.com/article/4084\\_p2p\\_lender\\_to\\_smooth\\_applications\\_through\\_open\\_banking\\_initiative](http://www.altfi.com/article/4084_p2p_lender_to_smooth_applications_through_open_banking_initiative)

## Marco Polo sets sail for DLT pilot phase

Specialty Finance / Alternate Lending

2/21/18

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Marco Polo, a blockchain-based platform for open-account trade finance created by TradelX and R3 in collaboration with leading global banks, is to move into a live pilot phase following a successful six month proof of concept. Since launching in September 2017, with 12 banks including BNP, Commerzbank and ING at the core, the initiative is being opened out to other financial institutions and third party service providers, such as credit insurers, ERP and logistics providers.

Standard Chartered, DNB, and OP Financial Group are the first new banking partners to join the project.

Focused on three distinct areas of trade finance - risk mitigation by provision of payment commitments based on the matching of trade data, payables finance, and receivables finance - the initiative aims for end-to-end, real-time, connectivity between trade participants and elimination of the data silos which prevent free flow of information causing inefficiencies and discrepancies.

Ivar Wiersma, head of innovation ING Wholesale Banking, says: “The tests ING ran as part of the proof-of-concept enabled us to see the value this solution could deliver in three separate areas of trade financing. The technology ran fast and smoothly and the positive results showed us we are on the right track and ready to take the next step by entering into a pilot.”

[https://www.finextra.com/newsarticle/31705/marco-polo-sets-sail-for-dlt-pilot-phase?utm\\_medium=newsflash&utm\\_source=2018-2-21&member=93489](https://www.finextra.com/newsarticle/31705/marco-polo-sets-sail-for-dlt-pilot-phase?utm_medium=newsflash&utm_source=2018-2-21&member=93489)

## Credit Kudos loans its glory to Lending Works

Specialty Finance / Alternate Lending

2/19/18

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UK-based Lending Works has chosen Credit Kudos to power its new open banking initiative to verify income in support of loan applications.

With this new partnership, using the new world of open banking, Lending Works' customers can use Credit Kudos to populate forms, verify income and “help demonstrate creditworthiness instantly online, making it easier and faster to apply and be accepted for loans”.

Currently, approximately 60% of Lending Works' borrowers are provided with instant and automated credit decisions, whereas the remaining 40% require some manual processes.

Lending Works says it expects to increase that figure to up to 90% of credit decisions being fully automated.

Last year, Credit Kudos received the green light from the UK's regulator, Financial Conduct Authority (FCA), to operate as a credit reference agency.

At that time, Credit Kudos said it was developing a financial behaviour score (FBS), and the authorisation meant “putting its stake in the ground and taking on industry olds – Experian and Equifax”.

Lending Works says in total, nearly £100 million of loans have been matched on its peer-to-peer lending platform, and the company expects to fund another £100 million of loans in 2018 alone.

<http://www.bankingtech.com/2018/02/credit-kudos-loans-its-glory-to-lending-works/>



# **DATA & ANALYTICS / IoT**

## One-quarter of Europeans ready to try out wearable payments

Data & Analytics / IoT

2/22/18

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The overwhelming popularity of contactless cards is peaking shopper interest in new form factors, as fresh research from Mastercard suggests that one-quarter of Europeans expect to start using tap-and-go payments with a smartwatch, bracelet, keyring or other forms of wearable payments. The data, which points to a potential market for wearables embracing 175 million European shoppers, comes from a study conducted among 50,747 people by GCT Research, across nine countries: UK, France, Russia, Spain, Italy, Germany, Netherlands, Poland and Sweden.

Interest in wearables comes as more and more people turn to contactless as a convenient way to pay. Contactless spend on Mastercard and Maestro grew by 145% in the last year, as psychological barriers to uptake withered. In particular, concerns around fraud showed the greatest decline (-24%), with the Netherlands (-41%), Spain (-33%) and the UK (-31%) seeing the biggest drop in fraud concerns across local markets.

In the UK and the Netherlands, the potential for wearable payments is being promoted by Barclaycard and ABN Amro, both of which are experimenting with contactless chips in fashion accessories, such as jewelry and rings.

“With customer expectations clear and the new technology available today, the time has come to drop cumbersome methods of payment and embrace a better consumer experience through wearable payments,” says Yvonne Duits, product owner payments at ABN Amro. “We care about making things convenient for consumers and offering everyone a payment method that suits their preferences and this pilot is testament to that.”

[https://www.finextra.com/newsarticle/31719/one-quarter-of-europeans-ready-to-try-out-wearable-payments?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31719/one-quarter-of-europeans-ready-to-try-out-wearable-payments?utm_medium=newsflash&utm_source=2018-2-22&member=93489)



**OTHERS**

## Global RegTech investments surpass \$1 billion in 2017

### Others

2/20/18

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Last year was a record year for global investments in regulatory technology (“RegTech”), according to research from FinTech Global. Growth is being driven by increasing regulatory pressures faced by financial institutions and coincides with the implementation of legislations such as PSD2 and MiFID II in January this year.

Overall RegTech investments increased by more than 16% last year.

Capital invested in RegTech companies globally increased steadily at a CAGR of 10.8% between 2014 and 2017 to reach a total of \$1.04bn.

As the RegTech industry matures the growth in investment is mainly driven by later-stage deals. Last year funding from deals valued above \$40m increased by more than 50%, whilst funding from deals in the \$0-40m category remained fairly steady. In contrast, deal activity dropped in 2017 to reach its lowest value since 2013. Correspondingly, the average deal size increased from \$9.8m in 2016 to \$13.5m in 2017.

Nearly half a billion dollars was invested in Q4 alone

The RegTech industry attracted \$448m in Q4 2017 – more than double the value of the previous quarter. This makes Q4 the strongest funding quarter ever, equating to 43.2% of the total capital invested in the whole year. Deals valued over \$40m accounted for almost half of the funding in Q4 2017. The total investment from this category increased nearly ve-fold QoQ, while funding for sub-\$40m deals increased by 59.8%.

The largest RegTech deal of Q4 2017 went to MetricStream, a provider of cloud-based solutions for governance, risk and compliance. The company raised \$65m in a venture round led by Clearlake Capital Group with co-investment from Goldman Sachs, Sageview Capital and EDBI. Despite the surge in total amount invested, the level of deal activity in Q4 2017 remained within a range of historic levels at 23 deals, seven less than the same quarter in the previous year.

There is increasing geographic diversity in RegTech investments

In 2014, almost 70% of all RegTech deals were concentrated in North America, while Europe held a 25.5% share. Even though deal activity in North America remained at a healthy level, the region’s share of overall RegTech deals decreased by 13% between 2014 and 2017.

Over the same period, Asia’s share of RegTech deals increased from 1% to 6.2%. All deals in Asia were located in Singapore, Hong Kong, China or India. Additionally, the ‘Other’ category, which includes South America, Australasia and Africa, increased in deal share from 1% in 2014

to 7.2% in 2017. This highlights the spreading geographic range of the RegTech industry as it matures.

Research from the Global RegTech Review reveals that almost half of all RegTech companies address AML or KYC regulation. Over \$1.7bn was invested in solutions that address these legislations between 2012 and H1 2017. The third most commonly addressed regulation by RegTech companies is MiFID II, followed by Basel III and PSD2.

[http://thefintechtimes.com/global-regtech-investments-surpass-1bn-2017/?mc\\_cid=fcebc75949&mc\\_eid=6bfd7c95b6](http://thefintechtimes.com/global-regtech-investments-surpass-1bn-2017/?mc_cid=fcebc75949&mc_eid=6bfd7c95b6)

## Plug and Play announces partnership with TechQuartier

### Others

2/20/18

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Plug and Play, the largest global innovation platform, partners with TechQuartier, the one-stop startup hub in the heart of Frankfurt to run its accelerator program focused on financial technology.

This new alliance will offer entrepreneurs valuable resources such as networking opportunities, workshops and investor networking. TechQuartier plans on furthering their mission through this new collaboration that will provide tools and resources to strengthen startups worldwide. The partnership provides potential for creating synergies between the Plug and Play startups and the TechQuartier ecosystem.

"This multi-year partnership is an important milestone for us at TechQuartier. Based in Silicon Valley, Plug and Play boasts a broad global portfolio in multiple verticals, with an important focus in the financial sector. By combining network and expertise in the world-leading fintech hub that is Frankfurt, our relationship will effectively create the largest multi-corporate innovation platform in Europe. With a shared belief in disruptive technologies and collaboration, we aim to build on this momentum to inspire numerous more banks, financial service providers and startups to join our program and accelerate game-changing innovation for the financial industry," said Sebastian Schäfer, CEO at TechQuartier.

"What we are looking to build out in Frankfurt is something game-changing as we continuously seek to grow our value offerings to our corporate and startup network. Through Frankfurt we will be able to create a centralized accelerator hub for our innovation activities in the FinTech space across Europe," said Omeed Mehrinfar, Regional Director, EMEA at Plug and Play. "This will also enable our European clients and startups to scale their activities with us in other regions as well."

"Our goal at Plug and Play is to have 10-15 additional banks and financial service providers partner with us in Frankfurt. These new partners will help guide our sourcing process for new technologies that they can pilot with and integrate into their businesses," said Amir Karimpour, Director of Plug and Play Germany.

<https://www.prnewswire.com/news-releases/plug-and-play-announces-partnership-with-techquartier-300601376.html>

## Swiss watchdog tweaks digital onboarding rules

### Others

2/16/18

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Swiss financial markets regulator Finma has updated its rules for digital client onboarding to reflect advances in technology such as the ability to authenticate a user with a "selfie with liveness detection". In 2016, Finma set out rules for how financial services firms should conduct video and online identification for new client onboarding to ensure compliance with anti-money laundering rules.

While the move has been broadly well received, authorities have raised concerns that the rules are not strict enough, while financial services firms have argued that some aspects are too restrictive.

In response, Finma has launched a consultation - running until the end of March - on updating the due diligence requirements to better reflect the current technological landscape.

Most notably, Finma wants to ditch the requirement for the video identification process to need a single-use password (TAN).

Instead, at least three randomly selected visual security features (such as holographic-kinematic features, pressure-elements with visual spill-effects, personalised materials) of identification documents must be checked.

When checking a client's identification using photos, banks will have to require a "selfie with liveness detection" - using things such as eyeball tracking software to prevent the use of old photos or photos of third parties.

Meanwhile, Finma plans to get rid of the rule that clients must carry out a transfer from a bank in Switzerland to ensure compliance with due diligence requirements. Instead, under some circumstances, clients can send a transfer from Financial Action Task Force member states.

[https://www.finextra.com/newsarticle/31690/swiss-watchdog-tweaks-digital-onboarding-rules?utm\\_medium=newsflash&utm\\_source=2018-2-16&member=93489](https://www.finextra.com/newsarticle/31690/swiss-watchdog-tweaks-digital-onboarding-rules?utm_medium=newsflash&utm_source=2018-2-16&member=93489)

## UK Treasury opens inquiry into digital currencies

Others

2/22/18

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The UK's influential Treasury Select Committee is to launch an inquiry into digital currencies and distributed ledger technology, scrutinising the regulatory response to the cryptocurrency boom from the Government, the Financial Conduct Authority, and the Bank of England. The interest in Whitehall and Westminster in the cryptocurrency markets mirrors that of the ordinary man on the street following a year of boom and bust cycles on volatile virtual currency exchanges.

Commenting on the launch of the inquiry, Nicky Morgan MP, chair of the Treasury Committee, says: "People are becoming increasingly aware of cryptocurrencies such as bitcoin, but they may not be aware that they are currently unregulated in the UK, and that there is no protection for individual investors.

"The Treasury Committee will look at the potential risks that digital currencies could generate for consumers, businesses, and Governments, including those relating to volatility, money laundering, and cyber-crime."

Striking the right balance between regulating digital currencies to provide adequate protection for consumers and businesses, whilst not stifling innovation, is crucial, she adds.

The review has been welcomed by industry bodies. Lobby group CryptoUK, says: "Under the right regulatory framework, there is an opportunity for the UK to become a global leader in this exciting technology. Our message to the Treasury Select Committee is that it is entirely possible to deliver a regulatory framework which ensures consumer protection and which enables crypto businesses to thrive."

Nigel Green, the founder and CEO of deVere Group is advocating new rules which force transactions to run across regulated exchanges with the full support of the banking industry.

"Robust regulation that is devised, implemented and enforced by international financial regulators will mean further protection for the growing number of people using cryptocurrencies, the less likely it will be that criminals will use these digital payment methods, the less potential risk there will be for the disruption of global financial stability, and the more potential opportunities there will be for higher economic growth and activity in those countries which introduce it."

For Lorraine Johnston, regulation counsel at law firm Ashurst, some form of regulation appears inevitable.

"Yet again the conflicting interests of supporting innovation vs consumer protection are being put under scrutiny, this time by the Treasury," she says. "But surely this is a crypto-conundrum that

no country has yet solved adequately? I wouldn't, however, bet against some form of quasi regulation of digital currencies coming out of this."

While cryptocurrencies gather all the headlines, others are more interested in the secondary string to the Treasury's inquiry into the underlying blockchain technology.

Marcus Taylor, CEO at trading comparison site BrokerNotes, comments: "Currently, the cryptocurrency market is, quite frankly, a distraction. It's the wild west. Until we move beyond viewing cryptocurrencies purely as a tradable asset, to understanding the different applications of the underlying technology and the potential to make cryptocurrencies a viable alternative to fiat currency, it's going to be difficult to make any meaningful progress.

"The UK has a great opportunity to embrace blockchain technology and lead the way in building innovations that can help the UK economy. This is inevitable with or without government intervention. However, with the right level of regulation, funding, and support the government can certainly make things happen faster."

[https://www.finextra.com/newsarticle/31720/uk-treasury-opens-inquiry-into-digital-currencies?utm\\_medium=newsflash&utm\\_source=2018-2-22&member=93489](https://www.finextra.com/newsarticle/31720/uk-treasury-opens-inquiry-into-digital-currencies?utm_medium=newsflash&utm_source=2018-2-22&member=93489)