

NEWS HIGHLIGHTS

Virtual currencies like Bitcoin prone to misuse, cautions RBI

CyberArk, Jenkins to offer integrated privileged account security solutions

Soon, you could be paying taxes via your smartphone

India not affected by 'Locky' ransomware: Trend Micro

Paytm in talks to buy deals start-ups Nearbuy and Little

Today's View

Collateral Damage .. No More

The demand for optimizing collateral, which is useful for securing loans as well as for derivative transactions between institutional counter-parties such as banks, hedge funds, and dealers, is gaining momentum. As per The **Treasury Borrowing Advisory Committee (TBAC)**, incremental demand for high-quality collaterals ranges between US\$ 3-6 trillion under normal market conditions, and US\$ 5-11 trillion under stressed market conditions. Hence, optimal allocation of collateral can lead to significant savings net of cost of deploying collateral optimization solutions. As per **Cognizant**, the financial industry can achieve annual savings to the tune of US\$ 1-4 billion through collateral management solutions, having cut down 12-17% of the costs.

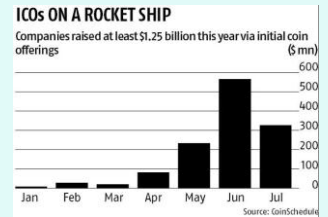
Acknowledging the need for such solutions, a number of institutions from central banks to securities lenders, investment firms, and corporate cash providers are deploying solutions like **Collateral Highway** to search and identify all the collateral pools held by organisations. This enables the firm to mobilize the appropriate collateral to cover all its exposures across the globe. This collateral highway, implemented by Belgium's **Euroclear Bank**, has gained traction with substantial collateral flows of over €830 billion daily.

Major custodian firms such as **BNY Mellon** and **J.P. Morgan** are integrating collateral management services across multiple asset classes to achieve an efficiently match demand and supply of collaterals. **Illuminate Financial Management**, the capital markets-focused Fintech VC firm is leveraging **CloudMargin's** cloud-based solution providing market participants a consolidated view of complete collateral inventory. In collaboration with Fintech **AcadiaSoft**, IBM has developed collateral management tools like 'Algo Collateral' that automates the margin call process and auto-booking of collateral payments.

OTHER INTERESTING NEWS

Bitcoin tumbles as PBOC declares initial coin offerings illegal

Bitcoin tumbled the most since July after The People's Bank of China said initial coin offerings are illegal and asked all related fundraising activity to be halted immediately, issuing the strongest regulatory challenge so far to the burgeoning market for digital token sales.



It also said digital token financing and trading platforms are prohibited from doing conversions of coins with fiat currencies.

Source- Business Standard

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Date- 05th Sept 17

Recent regulations **European Market Infrastructure Regulation (EMIR)** and the **Markets in Financial Instruments Directive (MiFID)** have more or less mandated better ways to manage collateral operations. This has prompted institutions like SWIFT to develop collateral management solutions to standardize, automate and track collateral operations.

Going forward, we believe stakeholders such as regulators, dealers, financial institutions and Fintechs would be aggressively incentivized to improve collateral management process through emerging technologies like machine learning, artificial intelligence and robotic process automation.

No more collateral damage

Today's News

Virtual currencies like Bitcoin prone to misuse, cautions RBI

The RBI has told a parliamentary panel that virtual currencies are "susceptible to misuse" by terrorists and fraudsters for laundering money.

The Reserve Bank further said it has not given any licence and authorisation to any entity or company to operate such schemes or deal with Bitcoin or any virtual currency (VC). As such, any user, holder, investor, trader, etc dealing with VCs will be doing at their own risk, the RBI informed the parliamentary standing committee on finance.

Source- *Business Standard*

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Soon, you could be paying taxes via your smartphone

Taxpayers may soon have the option to use digital payment means such as UPI, digital wallets and internet banking to pay all their taxes. The move is a part of the government's objective to boost digital payments.

The Central Board of Direct Taxes is working on a new app and portal called 'My Pay' that would facilitate managing all tax-related issues as well as payments through options apart from credit and debit cards and internet banking.

Source- *Business Line*

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C2C ecommerce in India takes baby steps as growing number of startups look to organise space

The consumer-to-consumer (C2C) e-commerce which is still at a very nascent stage in India is evolving and a growing number of C2C start-ups are trying to provide a technological platform to the resellers with an intention to organise the space.

The C2C e-commerce market in India is currently pegged at around \$9 billion and expected to record a CAGR of 60-70% by 2022, according to research and consultancy firm Zinnov.

Source- *Financial Express*

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German media group Bertelsmann to invest \$200-250 Mn in Indian startups

German media group Bertelsmann is looking to invest \$200-250 Mn in Indian startups over the next four years. The group aims to invest \$50-60 Mn each year in funding Indian startups in areas such as ecommerce, fintech and edtech.

Pankaj Makkar, MD Bertelsmann India Investments told that we made our first investment in 2013-end in India. If we include the commitments that we have lined up for the next 12 months for deals that we have an outlook for, the deployment would be about \$200 Mn.

Source- *Inc42*

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Axilor looks to receive more than 400 applications for its 6th accelerator batch

Startup accelerator Axilor's has already received 300 applications for its sixth accelerator batch.

The accelerator had just graduated 20 startups across five sectors- consumer internet, enterprise, Artificial Intelligence, healthcare and fintech. Around 50% of these 20 have secured funding, with an average fund raise of Rs 2.5 crore. Axilor Ventures is a platform for supporting early stage startups. Through its accelerator and seed fund programs, it helps early stage startups.

Source- *ET Tech*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

CyberArk, Jenkins to offer integrated privileged account security solutions

CyberArk announced the integration of the CyberArk Privileged Account Security Solution with Jenkins, the leading open source automation server. With this integration, organizations gain an automated orchestration process with built-in secrets management and protection for their DevOps pipeline without unnecessary trade-offs between security and velocity.

The CyberArk Privileged Account Security Solution integration with Jenkins enables CIOs, CISOs, operations personnel and developers to deploy solutions that provide security and support compliance goals without impeding the agility and speed of the DevOps pipeline.

Source- *The Economic Times*

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India not affected by 'Locky' ransomware: Trend Micro

As the government's Computer Emergency Response Team (CERT-In) issued an alert last weekend about the spread of a new ransomware called 'Locky,' global cyber security firm Trend Micro on Monday said no incidents involving 'Locky' have been reported in India till date.

According to Trend Micro, the ransomware is not likely to be on the scale of 'Wannacrypt' and 'Petya' ransomware that relied on Microsoft vulnerability in Windows XP.

Source- *The Economic Times*

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Datasigns Technology gets \$1.5 million for its online lending platform Shubh Loans

Datasigns Technologies, the operator of lending platform Shubh Loans, has secured \$1.5 million in pre-series-A funding from SRI Capital, BeeNext and Pravega Ventures. The company plans to use the money to build its technology team and expand to 25 markets from seven.

Started in 2016 Shubh Loans is a vernacular language app that builds a proprietary credit score and report for loan applicants, who can then borrow from any of the nine banks and NBFCs on the platform. Since its launch, over 60,000 customers have built their credit score using Shubh Loans.

Source- *The Economic Times*

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Paytm in talks to buy deals start-ups Nearbuy and Little

Paytm, operated by One97 Communications Pvt. Ltd, is in advanced talks to acquire two deals platforms, Nearbuy and Little, two people familiar with the development said.

The acquisitions of Nearbuy (formerly Groupon India) and Little Internet Pvt. Ltd, both of which offer discount deals at restaurants, salons and commercial establishments, will allow Paytm to boost its presence in the hyperlocal space.

Source- *Mint*

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The look and feel of the 'Indian' VC fund

VC and PE investments are made by funds that are managed by specialised fund management entities. Based on data from Venture Intelligence, Business Line find that between 1999 and June 2017, 933 fund management entities (FMEs) provided 6,118 rounds of funding to the 3,900 enterprises.

This supports the commonly held view that most early-stage enterprises require more than one round of VC financing as they grow.

Source- *Business Line*

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Wipro launches newest digital pod in Edinburgh

Wipro has launched its newest digital pod in Edinburgh, Scotland, to offer digital services at close proximity to its UK and European customers.

The Edinburgh Pod is purpose-built for Wipro's digital strategy, design and engineering teams to work in a collaborative and adaptive workspace, along with clients. Digital pods allow teams to work with the necessary autonomy to facilitate speed, continually evaluating progress with user research and technical performance data.

Source- *The Economic Times*

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