



# PwC's FinTech Insights

August 2019



Our insights



From around  
the web



FinTech tales



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An exclusive look at the latest developments and publications in the FinTech space

## RBI Vision 2019-2021: The way forward

The Indian payments industry has witnessed remarkable growth, innovation and regulatory support over the last few years. The evolution of the digital payments ecosystem in India has been particularly noteworthy. A comparative study done by one payments firm across 25 countries placed the Indian faster payments system at the apex, surpassing those of developed economies viz. the UK, Japan and China.

Various stakeholders such as banks, public transport operators, OEMs, payment system operators, including card networks, PPI issuers, financial market infrastructure providers have played an important role in developing the digital payments space in India.



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**An exclusive look at the latest developments and publications in the FinTech space**

## NCMC: Another step towards a less-cash India

Interoperability is one of the key enablers for digital payments. In recent years, various nationwide payment instruments such as Unified Payments Interface (UPI) and Bharat Bill Payment System (BBPS) have been rolled out to increase interoperability. The latest initiative to facilitate digital payments across multiple use cases in the offline space is the National Common Mobility Card (NCMC). One of the key characteristics of 'One Nation One Card' is that existing debit and credit cards can be made NCMC compliant. NCMC may impact more than 94.45 crore debit and 4.6 crore credit cards outstanding as of February 2019.



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## Emerging technologies disrupting the financial sector

The Indian FinTech market has been on an upward growth trajectory over the last five years. This is evidenced by an increase in both the number of FinTech companies founded and the investment they have attracted. From January 2013 to October 2018, approximately 2,000 FinTech companies have been founded, turning India into a hotbed of entrepreneurial activity. This has also translated into increased consumer adoption of FinTech solutions. This collaborative report by PwC and ASSOCHAM provides an overview of FinTech landscape in India and emerging technologies that are reshaping the financial services sector.



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## Global insights handpicked by PwC

### MAS launches Sandbox Express for faster market testing of innovative financial services

Sandbox Express is launched by the Monetary Authority of Singapore (MAS) to provide firms with a faster option to test innovative financial products and services in the market. Sandbox Express shortens the approval process for entry into the sandbox by relying on standard disclosures and pre-determined rules. Market testing can be done by applicants in the pre-defined environment of Sandbox Express within 21 days of applying to MAS. Primarily it will be available specifically for insurance brokers, remittance businesses etc. Firms must comply with all conditions of approval including providing clear and proper disclosure to the customer as well as submitting regular progress reports to MAS.



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### Philippines takes on regulatory innovation to become global fintech player

The economic zone is creating new opportunities for private sector-regulator relationships by embracing innovation according to CEZA Chief Executive Officer and Cabinet Secretary Raul Lambino. The Central Bank, SEC, and Finance Departments can be conservative in allowing the immediate proliferation of disruptive technologies. Around \$8bn have been pledged in investment commitments to CEZA by companies from all over Asia. In terms of the cryptocurrency industry, CEZA has issued more than 30 licenses to global cryptocurrency exchanges who have all pledged investment commitments to the zone. There are also plans to be outlined for small and medium enterprises (SMEs) and start-ups in the digital economy.



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## Global insights handpicked by PwC

### ADGM launches investor forum at FinTech Abu Dhabi 2019

Abu Dhabi Global Market (ADGM) and global innovation platform, Unbound will launch the Investor Forum as part of the FinTech Abu Dhabi Festival 2019 ("FinTech Abu Dhabi") on 21 October 2019. The new addition at this year's FinTech Abu Dhabi, the Investor Forum, will attract leading regional and international venture capital investors to gather with their peers, exchange ideas and best practices. The event will incorporate keynotes and board sessions covering current patterns in the funding business and feature contextual analyses of examples of overcoming adversity in the MENA area. The motivation will likewise incorporate sessions including the absolute most noticeable local and universal FinTech venture powerhouses.



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### IRDAI sets up single point of contact for regulatory sandbox

Insurance controller IRDAI has set up a solitary point contact for its regulatory sandbox (RS), wherein financial innovation firms can look for consent to explore different avenues regarding inventive methodologies for the development of the sector. Regulatory sandbox (RS) alludes to live testing of new items or administrations in a controlled/test administrative condition for which controllers may (or may not) grant certain relaxations for the constrained reason for the testing. The sandbox approach can be utilized to cut out a sheltered and helpful condition to try different things with creative methodologies, and where the results of disappointment can be contained.



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## Global insights handpicked by PwC

# RBI finalises regulatory sandbox framework for innovation in fintech firms

The Reserve Bank of India (RBI) released the final enabling framework for regulatory sandbox which will be a positive advance for monetary innovation new businesses and organizations hoping to improve in the quick changing and exceptionally managed part. The regulatory sandbox permits live testing of new items or administrations in a controlled or test administrative condition. The RS shall begin the testing process with a few select entities through a comprehensive selection process. The RS framework also identifies “applications under block chain technologies” as innovative technology.









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





## News on recent investments, partnerships and acquisitions in FinTech in India

### Investments

	Company	<b>Cred</b>
	Sector	FinTech
	Ticket size	US\$120 million
	Investor(s)	Ribbit Capital, Gemini Investments, Sequoia Capital
	Company overview	Cred is a members-only app, which gives exclusive rewards for paying your credit card bill in a timely manner.
	Source:	<a href="https://www.vccircle.com/kunal-shah-s-cred-steals-limelight-with-big-cheque-in-busy-funding-week/">https://www.vccircle.com/kunal-shah-s-cred-steals-limelight-with-big-cheque-in-busy-funding-week/</a>







	Company	<b>Tala</b>
	Sector	Lending
	Ticket size	US\$110 million
	Investor(s)	Led by RPS Ventures
	Company overview	Tala offers the world's most accessible consumer credit product, instantly underwriting and then disbursing loans to people who have never had a formal credit history.
	Source:	<a href="https://www.vccircle.com/fintech-firm-tala-raises-series-d-funding-led-by-rps-ventures-for-india-expansion">https://www.vccircle.com/fintech-firm-tala-raises-series-d-funding-led-by-rps-ventures-for-india-expansion</a>











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	Company	<b>BharatPe</b>
	Sector	Payments and lending
	Ticket size	US\$50 million
	Investor(s)	Ribbit Capital and London-based hedge fund Steadview Capital
	Company overview	BharatPe is a payments company serving the offline retailers and businesses. We empower the merchants to accept UPI payments for 'free' through the BharatPe QR.
	Source:	<a href="https://yourstory.com/2019/08/bharatpe-funding-series-b-ribbit-steadview-capital-sequoia">https://yourstory.com/2019/08/bharatpe-funding-series-b-ribbit-steadview-capital-sequoia</a>







	Company	<b>Lendingkart</b>
	Sector	Lending
	Ticket size	US\$30 million
	Investor(s)	Led by Fullerton Financial Holdings, Bertelsmann India Investments and India Quotient
	Company overview	Lendingkart Technologies Private Limited is a FinTech start-up in the working capital space. It has developed technology tools based on big data analysis which enables lenders to evaluate a borrower's credit worthiness and provides other related services.
	Source:	<a href="https://www.livemint.com/companies/news/lendingkart-raises-rs-212-crore-led-by-fullerton-financial-holdings-1565350909118.html">https://www.livemint.com/companies/news/lendingkart-raises-rs-212-crore-led-by-fullerton-financial-holdings-1565350909118.html</a>



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	Company	<b>Indifi Technologies</b>
	Sector	Lending
	Ticket size	US\$21 million
	Investor(s)	Led by the CDC Group
	Company overview	Indifi is a technology platform that gathers and analyses data of businesses from various sources and draws insights to judge their creditworthiness and their past and current performance in the context of the industry they are operating in and thus offers loan.
	Source:	<a href="https://www.vccircle.com/digital-lender-indifi-raises-21-mn-from-cdc-others/">https://www.vccircle.com/digital-lender-indifi-raises-21-mn-from-cdc-others/</a>






	Company	<b>INDwealth</b>
	Sector	WealthTech
	Ticket size	US\$15 million
	Investor(s)	Tiger Global Management
	Company overview	A wealth management platform for HNIs, INDwealth enables consumers to track and organise their financial life across different investments, expenses, loans, and taxes.
	Source:	<a href="https://www.vccircle.com/tiger-global-invests-in-ibibo-founder-s-fintech-startup-indwealth/">https://www.vccircle.com/tiger-global-invests-in-ibibo-founder-s-fintech-startup-indwealth/</a>



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	Company	<b>Aye Finance</b>
	Sector	Digital lending
	Ticket size	US\$10 million
	Investor(s)	responsAbility Investments AG
	Company overview	Aye Finance is a new-age finance company that provides business loans to small and micro enterprises in India.

	Company	<b>Finzy</b>
	Sector	Lending
	Ticket size	US\$2.3 million
	Investor(s)	Led by BFSI
	Company overview	Finzy is a digital lending platform that connects qualified borrowers with investors looking to invest in a new asset class that provides monthly returns.



**Source:** <https://www.livemint.com/companies/start-ups/aye-finance-raises-10-million-debt-from-responsability-1565546294764.html>















**Source:** <https://www.vccircle.com/p2p-lending-startup-finzy-completes-pre-series-a-funding-round/>



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	Company	<b>LenDenClub</b>
	Sector	P2P Lending
	Ticket size	US\$1 million
	Investor(s)	Artha Venture Fund
	Company overview	LenDenClub offers small-ticket loans directly to lenders and leverages its proprietary tech stack to reduce the time taken to underwrite a loan.
	Source:	<a href="https://www.vccircle.com/artha-venture-fund-leads-p2p-nbfc-lendenclub-s-pre-series-a-funding-round/">https://www.vccircle.com/artha-venture-fund-leads-p2p-nbfc-lendenclub-s-pre-series-a-funding-round/</a>

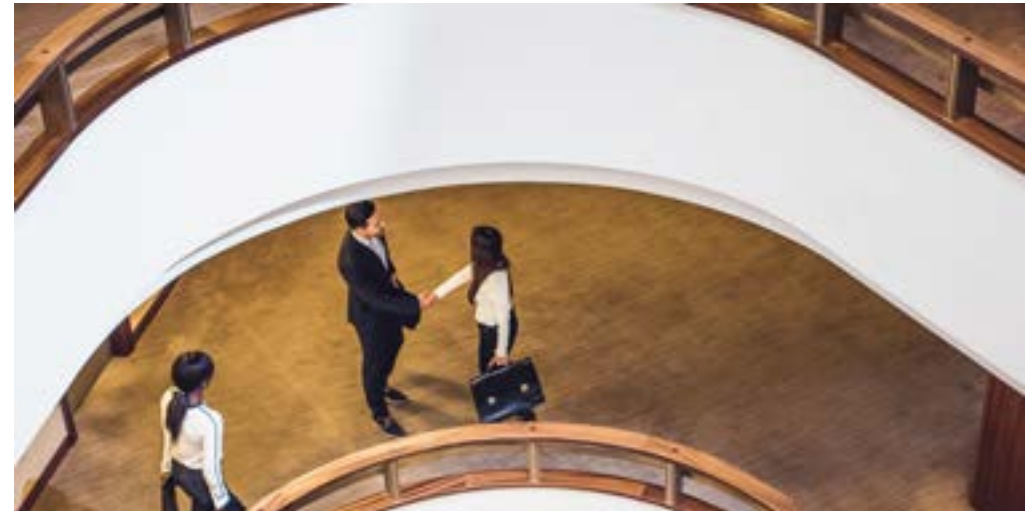
	Company	<b>Recko</b>
	Sector	Fintech
	Ticket size	US\$1 million
	Investor(s)	Angel investors: Taavet Hinrikus, Vaibhav Puranik
	Company overview	Recko, a FinTech start-up that enables AI-powered reconciliation of digital transactions, raised additional capital.
	Source:	<a href="https://tech.economictimes.indiatimes.com/news/startups/recko-raises-additional-funding-from-individual-investors/70860290">https://tech.economictimes.indiatimes.com/news/startups/recko-raises-additional-funding-from-individual-investors/70860290</a>



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### Partnerships






	Start-up	<b>Acko General Insurance</b>
	Partnered with	ZestMoney
	Sector	Insurtech
	Purpose	Acko General Insurance has partnered with ZestMoney to help ZestMoney customers cover their instalment payments during times of crisis.
	Source:	<a href="https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/acko-signs-pact-with-zestmoney-to-offer-credit-insurance/articleshow/70768423.cms?from=mdr">https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/acko-signs-pact-with-zestmoney-to-offer-credit-insurance/articleshow/70768423.cms?from=mdr</a>










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### Acquisitions






	Start-up	<b>Thirdwatch</b>
	Acquired by	Razorpay
	Sector	AI, Payments
	Purpose	Acquisition of Thirdwatch by Razorpay will help augment its efforts in improving the payment experience and avoid fraudulent transactions with the help of AI, machine learning and big data.
	Source:	<a href="https://razorpay.com/blog/thirdwatch-acquisition-rto-fraud-ecommerce/">https://razorpay.com/blog/thirdwatch-acquisition-rto-fraud-ecommerce/</a>

	Start-up	<b>Upwardly</b>
	Acquired by	Scripbox
	Sector	Wealth management
	Purpose	Following its acquisition by Scripbox, Upwardly will work on many innovative products to avoid any form of cannibalisation and work on new product lines to strengthen its products and team.
	Source:	<a href="https://tech.economictimes.indiatimes.com/news/startups/online-mutual-funds-distribution-startup-scripbox-acquires-upwardly/70594412">https://tech.economictimes.indiatimes.com/news/startups/online-mutual-funds-distribution-startup-scripbox-acquires-upwardly/70594412</a>



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	Start-up	<b>Walnut</b>
	Acquired by	Capital Float
	Sector	Finance management
	Purpose	Acquisition of Walnut by Capital Float will add to the customised credit products of the latter.
	<b>Source:</b> <a href="https://timesofindia.indiatimes.com/business/india-business/capital-float-acquires-walnut-for-30-mn/articleshow/65484313.cms">https://timesofindia.indiatimes.com/business/india-business/capital-float-acquires-walnut-for-30-mn/articleshow/65484313.cms</a>	





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VB/September 2019 - M&C 665