# FINTALK
**Bank of Baroda**

## Today's View

### SWIFTly Transactions

**SWIFT**, the messaging network connecting financial institutions around the world and enabling them to exchange information on cross-border transactions, came to the center stage after the discovery of the recent LoU concerning irregularities worth over $2 billion.

Having gathered the trust of over 11,000 institutions connected via its technology in over 200 countries, SWIFT has been the most sought after international interbank payments facilitator. To say the least, virtually all international banking transactions go through SWIFT. The best part - being a messaging system, it does not hold any funds or securities or manage client accounts, but still ensures secure financial transactions.

In today's world, where payments are going through instantaneously, SWIFT realized well in time the need to upgrade its technology before it gets redundant. In the recent past, it has faced brutal competition from the likes of **Ripple** that use blockchain to facilitate payments. The success of this concept and its fore bringer has been so impressive that today its XRP token is the third largest token by market cap, only challenged by Bitcoin and Ethereum.

Waking up to this reality, SWIFT joined **Linux Foundation** Distributed Ledger Initiative to implement distributed ledger proof-of-concept project. Based on **IBM's Hyperledger DLT (Distributed Ledger Technology) platform**, the

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### SoftBank, Temasek eye 33% stake in FINO

SoftBank, Temasek and a PE fund managed by Morgan Stanley are in talks to buy a one-third stake in FINO, valuing the payments bank and tech co. at about Rs 2,000 crore.

**Four-fold Returns**

Blackstone had invested about ₹150 cr in FINO in 2011 for a 26% stake

If co is valued at ₹2,000-2,500 cr, Blackstone will get ₹520-650 crore

This will translate into a four-fold return in seven years

FINO, founded in 2006, provides tech solutions to widen financial inclusion

It has over 78 million customers through over 28,000 transaction points in 499 districts

*Source – The Economic Times*

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project focused on the use of nostro accounts, or bank accounts held by banks at other banks. The proof-of-concept envisioned these "many-to-many" bank transfers, specifically examining the ability of the system to meet requirements around governance, security and data privacy as they relate to the nostro reconciliation process.

This innovative project based on Blockchain's DLT platform holds the potential to give wings to new opportunities and efficiencies in the financial industry - with their key strengths being the ability to create trust in a disseminated system, efficiency in broadcasting information and complete traceability of transactions along with simplified reconciliation.

For the uninitiated, distributed ledger technology (DLT) or the Blockchain Technology is a digital system for recording transactions and their metadata on multiple nodes simultaneously. Unlike traditional databases, distributed ledgers have no central data store or administration functionality.

Although SWIFT is just a messaging service and the transactions are in reality handled by correspondent Banks, but the overall cross-border remittance use case has great potential for further exploration. **Bank of Baroda**, as a founding member of the BankChain Consortium, is exploring this very compelling use case.

## Today's News

### UIDAI set to introduce face authentication feature from July 1

UIDAI is set to make face authentication available alongside iris or fingerprint scan as means of verifying Aadhaar users from July 1, 2018.The UIDAI, which is in-charge of Aadhaar, in January had announced that it will introduce face authentication feature to help those who run into problems in biometric authentication due to old age, hardwork or worn-out fingerprints.

It had said that face authentication will be allowed only in fusion mode meaning it would be permitted along with either fingerprint or iris or OTP to verify the details of Aadhaar holders.

*Source – The Economic Times*                                                    READ MORE

### There is a need to secure full Aadhaar ecosystem

UIDAI has maintained its database is secure and there are no breaches of Aadhaar data from its system, security researchers warn that leaks are happening in third-party sites and it is important for the agency to ensure that its ecosystem adopts measures to keep data safe.

There have been no reports of any breach in the core database so far. However, it is the third-parties that have acted as weak links.

*Source – The Economic Times*                                                    READ MORE

**This News Letter has been prepared with the assistance of G Balakrishna and Manish Kulkarni**

### India high on naspers $10-b list

Naspers, will be actively scouting the market for opportunities to deploy the $10-bn proceeds from the sale of 2% stake in Chinese internet conglomerate Tencent.

Naspers plans to use the capital to scale and consolidate its position in "core ecommerce segments" globally.

*Source – The Economic Times*

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### Flipkart is reinventing its back-end technology by infusing AI

In a bid to ensure that its back-end technologies are able to scale along with its fast-growing online retail business, e-commerce major Flipkart has embarked on a programe called "Continuous Platformisation".

The programme is aimed at giving its technologists the bandwidth to build products that can support unprecedented scale whenever it is required rather than just looking at the current requirements.

*Source – Business Standard*

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### Waymo Tech `Robust Enough' to Avoid Uber Crash

Waymo CEO John Krafcik said his company's self-driving software would likely have avoided the pedestrian death in which an Uber autonomous car was involved.

*Source – Bloomberg*

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## Government used Google, Facebook to push its digital India programme

The Indian Govt may have 'unfriended' Facebook last week after it warned the social media giant from interfering and influencing next year's elections. However, it used Mark Zuckerberg's firm as well as Google for its magnum opus Digital India initiative.

Since the launch of the programme in 2014, these two US tech giants have played an integral role in almost every aspect of the initiative.

*Source – Business Standard*

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## NSE bets big on AI, Blockchain to mitigate algo-trading risks

In a bid to make itself "future ready" and minimize risks from high-frequency trading, the NSE, is betting heavily on newer technologies such as AI and blockchain.

According to Vikram Limaye, MD and CEO of NSE, is to enhance the efficacy of the capital markets, improve surveillance operations to prevent manipulation of its systems, and enable more efficient reporting to regulators.

*Source – Livemint*

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## Only a third of Indian IT companies ready for EU privacy laws

Only a third of India's IT firms are compliant with a European data protection law to be effective in May, say analysts, warning that potential damages of any breach of privacy of user data from the continent could cost companies as much as 4% of their revenue.

The sweeping new-data protection law — general data protection regulation (GDPR) being rolled out on May 25 — is the most comprehensive set of rules being put forward globally to strengthen data protection and privacy of users.

*Source – The Economic Times*

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## Big Blue training next-gen developers across India

IBM is focusing on skilling next generation developers and building an ecosystem of skilling across the country. It has in recent months partnered universities, Edu-tech startups, collaborated with the telecom sector skill council, Nasscom and the Ministry of Skill Development and Entrepreneurship (MSDE) to build a community of developers that would help each other. IBM works with universities and startup accelerators in tier-II locations as well.

*Source – BusinessLine*

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## Ola in talks to buy Ridlr in bid to improve navigation technology

Ola is in talks to buy app Ridlr, as it seeks to improve its navigation tech and potentially expand the range of its services.

The Ridlr acquisition will be a distress sale. The company last raised capital in July 2016 when Times Internet, Matrix Partners and Qualcomm Ventures invested $6 million into the company.

*Source – Livemint*

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## Snap buys British gaming Co PlayCanvas

Snapchat's has acquired PlayCanvas, a British startup which powers 3D gaming on mobile browsers and social media.

PlayCanvas built an open-sourced gaming engine that powers casual games on Facebook and on browsers. Its technology also allows developers to build and run virtual reality experiences from the browser.

*Source – Business Insider*

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## Tennessee Legislature Passes Law Recognizing Blockchain

The general assembly of the state of Tennessee has passed a new bill that legally recognizes transactions conducted using a blockchain, in addition to ownership rights pertaining to information secured by distributed ledger technology.

*Source – Cointelegraph*

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