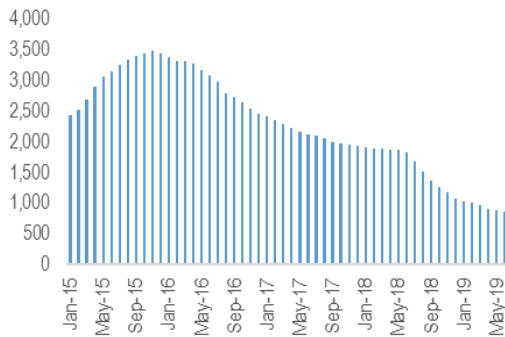


# Global FinTech Weekly



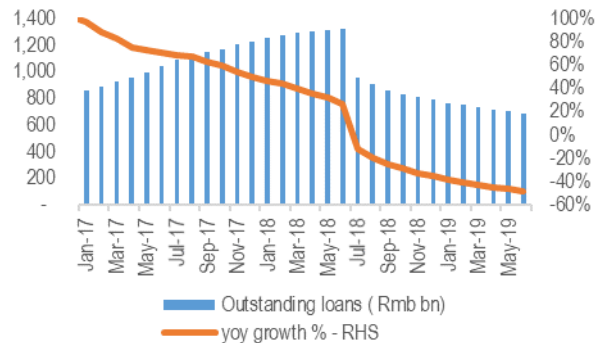
## Highlight of the week – China P2P platforms facing regulatory challenge

**Figure 1: The number of operating P2P platforms in China fell to 863, down by 55% since 2018**



Source: WDZJ

**Figure 2: China P2P industry outstanding loan balance of Rmb600billion - halved from the peak**



Source: WDZJ

### Tightening regulation encourages P2P platforms to exit and transform; wholesale funding model will take over

According to Xinhua, the Office of the Leading Group for the Special Campaign against Internet Financial Risks and the Office of the Leading Group for the Special Campaign against Peer-to-peer Lending Risks jointly held a symposium on the special rectification of online lending risks recently. The meeting concluded that the rectification in the third quarter will target to reduce the outstanding balance and volume of P2P industry, and encourage voluntary exit of P2P platforms. As for a small number of institutions with enough capital and professional management capabilities, they can apply for restructuring into online microlending companies, consumer finance companies, etc. The meeting did not mention the registration of P2P platforms anymore. Given our judgment of the recent regulatory changes, we expect the P2P industry to shrink further, and only a few leading companies can successfully transform. On the other hand, online consumer lending industry is already dominated by the wholesale funding model. Under this model, financial institutions provide funding support, and the loan facilitation institutions with purchase scenes or consumer traffic help them with loan acquisition. Most of the listed P2P platforms have started transformation into the wholesale funding model - P2P funding will likely become history.

### Continuous regulatory scrutiny encourages exit; risk incidences at non-compliant platforms may continue

Recently media reported that Firstp2p (a P2P platform) has defaulted and will initiate an exit plan, whereas merely a month ago the company raised the registered capital to Rmb500million. This would be another large-scale platform exit this year if confirmed. Since 2018, multiple listed players with P2P business announced intention to exit P2P business. China Rapid Finance recently announced that it will cease its P2P business. A former industry leader Hongling Capital voluntarily pulled out of the market. Other companies such as Paipaidai and Xiaoying Technology have shifted towards wholesale funding model. A wave of defaults hit the peer-to-peer lending sector

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since 2018. Considered that the regulators are pushing more players out of the industry combined with a broader economic slowdown, we believe risks remain high in platforms involved with self-funding, funding pool and capital misappropriation.

### WDZJ data shows the number of platforms and outstanding loans halved

Since the launch of the Special Campaign against Peer-to-peer Lending Risks, as of Jun-19, the number of operating P2P platforms fell to 863, down 55% from the beginning of 2018; the outstanding loans is down by 48% from the peak in 2018. We expect China's P2P industry will continue to shrink.

## News of the week

### Neo Bank

#### Swedish Neo bank P.F.C. Raises €5M

P.F.C. (Personal Finance Co.), a neo bank founded in Sweden, has raised €5 million in funding. Described as a personal finance app and accompanying debit card, P.F.C. is regulated under a payments institution license rather than being a fully-licensed bank. P.F.C.'s features include being able to instantly top up your account/card using Swish (a mobile payment technology provided by a group of Swedish banks), the ability to set a weekly budget, and automatic transaction categorization.

Source: [TechCrunch](#)

### AI

### Accounting & Finance

#### Digital Receipt Player Sensibill Raises \$31.5M

Sensibill, a Toronto-based AI-powered digital receipt startup targeting freelancers and small business owners, has raised US\$31.5 million in a Series B funding round joined by National Bank of Canada. Founded in 2013, Sensibill works with banks such as TD and Scotiabank to incorporate its digital receipt technology into their apps, enabling personal and business customers to manage line item receipts from their phones.

Source: [Finextra](#)

### Payment

### Challenger Bank

#### Challenger Bank Kyash Raises \$14M

Japanese payments app and challenger bank Kyash has raised \$14 million in a Series B funding round co-led by Mitsubishi UFJ and Goodwater Capital. Kyash currently offers a prepaid-debit based mobile wallet app that allows consumers to make payments at Visa merchants and peer to peer transfers, but the firm has set its sights on attaining a banking license which would allow it to offer current accounts and money remittance services.

Source: [Finextra](#)

### Payment

#### Currencycloud Raises £32M in Series E

Currencycloud, the provider of an API and service for cross-border payments that is used by a host of fintechs such as Visa, has closed the first part in a round of Series E funding.

Source: [TechCrunch](#)

### Retail investing

### Trading

#### Social Investing App Matador Raises \$2M in Seed Round

Matador, the social investing platform, announced \$2 million in seed funding, led by Greycroft. The app, which allows users to see what stocks their friends are investing in, makes it easy to buy and sell stocks and ETFs within seconds, with zero commission.

Source: [Finextra](#)

Capital Market

## Investment Tech Startup Jacobi Raises \$11M

Australian investment technology platform Jacobi is targeting the UK after securing \$11 million in funding from a group of Silicon Valley VCs. Jacobi's solution allows clients to customize the platform, such as incorporating their own investment models, risk engines, forward projections needs. This allows clients to scale and simplify their entire investment process.

Source: [Finextra](#)

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Financial Service

Automation

## Soldo Raises \$61M in Series B for Its 'Spend Management' Platform

Soldo, the U.K. fintech has raised \$61 million in Series B funding. Soldo offers a multi-user spending account for businesses of all sizes — from SMEs to much larger enterprises — that need to deploy and manage expenses across an entire organization. It enables departmental and employee spending to be managed in real time by combining a Soldo account, central dashboard, apps for iOS and Android and virtual wallets or physical "pre-paid" Mastercards that can be handed out to employees, departments and even external consultants or contractors.

Source: [TechCruch](#)

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Cryptocurrency

## Digital Asset Platform Matrixport was Launched

The cryptocurrency financial services startup Matrixport, which was founded by the former founder of the Bitmain, was officially launched. It is reported that the new company's goal is to provide a one-stop platform for digital asset over-the-counter trading, loans and custody. Matrixport is headquartered in Singapore and currently has about 100 employees.

Source: [36kr](#)

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Blockchain

## Fujitsu Develops Blockchain ID Tech That Scores Trustworthiness in Transactions

Fujitsu Laboratories has unveiled what it calls "digital identity exchange technology" aimed to increase the security of online transactions. The tech, based on blockchain, makes it possible for individuals and businesses making online transactions to confirm the identity of other parties involved. More importantly, the identification system gauges the "trustworthiness" of the other party's credentials.

Source: [Coindesk](#)

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Blockchain

IBM

## IBM and Australian Banks to Pilot Blockchain for Retail Lease Bank Guarantees

A consortium of Australia-based financial services companies have teamed up with IBM and shopping center operator Scenter Group to launch a pilot that puts retail lease bank guarantees on a private blockchain. The firms involve hope the blockchain platform will shorten the time it takes for banks to issue guarantees, reducing that time to a day. The same validation could take up to a month if being issued on paper, based on current practices.

Source: [Coindesk](#)

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Payment

## PayPal and Visa Bring Instant Transfer Feature to Canada

Visa and PayPal launched a feature that allows consumers and small businesses in Canada to instantly access funds. PayPal's new Instant Transfer, powered by Visa Direct, Visa's real-time push payments solution, moves money from customers' PayPal accounts to their bank account via their Visa debit cards.

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Source: [Finextra](#)

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Payment

### Google Pay Gets More Deeply Integrated with Chrome

Google announced that users will be able to access autofill for payments just by signing into their Google Accounts while on the desktop — even if Chrome sync is disabled. The feature takes advantage of Google Pay, which has been recently expanding to more sites across the web, following last year's rebranding from "Android Pay" to reflect its more cross-platform nature.

Source: [TechCrunch](#)

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Payment

### Monese Begins Integration with PayPal

Monese, the European banking service that gives people the financial service, launched a collaboration with PayPal that expands access to financial tools and the global economy for Monese customers. Monese customers will be able to seamlessly add a Monese card to their PayPal digital wallet so that they can send money to and buy from PayPal's 277 million consumers and merchants around the world.

Source: [Telegraph](#)

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InsurTech

Financial Service

### Fintech Startup Shine Adds Two New Features

French startup Shine is launching two new features — Shine Premium, a premium account with basic insurance coverage for freelancers, and support for more types of companies using Shine Start. Shine is building an alternative to traditional bank accounts for freelancers. In addition to bank information and a payment card, users can register a "micro-company" to start accepting freelancing jobs, create invoices, export transactions for taxes, etc.

Source: [TechCrunch](#)

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Retail Investing

Trading

### AIX Launches Mobile Application for Retail Investors

Astana International Exchange (AIX) is pleased to announce the launch of its proprietary mobile application for retail investors, "AIX Connect". The application provides users with convenient and quick access to exchange news and disclosures of AIX listed companies, as well as real-time market data. The application is available to users of Android and iOS smartphones on Google Play and the Apple Store.

Source: [Finextra](#)

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Accounting & Finance

### NatWest Rolls out Digital Working Capital Product

British bank NatWest is piloting a digital working capital product that offers a credit limit based on business customers' unpaid invoices. Developed with Australian fintech Waddle Loans, the product, called Rapid Cash, connects with accounting software to give businesses a dynamic credit limit of between £25,000 and £3000,000.

Source: [Finextra](#)

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Payment

### PayU Expands into Southeast Asia through Red Dot Stake

PayU, the payments and fintech business of Naspers, announced the acquisition of a majority stake in Red Dot Payment, a Southeast Asia focused online payment solutions provider. With this transaction, PayU expands into the Southeast Asia region and brings the total amount deployed in fintech investments and M&A to north of \$700 million over the last three years. The

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move demonstrates PayU's commitment to becoming the leading payments solution provider in high-growth markets and one of the largest fintech investors in the world.

Source: [Finextra](#)

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Capital Market

Trading

Tiger Securities

### **Tiger Securities Acquires U.S. 33-year-old Brokerage Firm for US\$9.4M**

Tiger Securities announced that Tiger Fintech Holdings, Inc., a wholly-owned subsidiary of Tiger Securities, has signed a final purchase agreement with US brokerage Marsco Investment Corporation, which will acquire a 100% stake in Marsco for \$9.4 million in stock plus cash. The transaction has been unanimously approved by the board of directors of both parties and is expected to be completed in the third quarter of this year, which means that Tiger Securities will hold a U.S. stock clearing license.

Source: [STCN](#)

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Payment

### **7-Eleven Japanese Customers Lose \$510,000 Due to Mobile App Flaw**

Approximately 900 customers of 7-Eleven Japan have lost a collective of \$510,000 after hackers hijacked their 7pay app accounts and made illegal charges in their names. The incident was caused by an appalling security lapse in the design of the company's 7pay mobile payment app.

Source: [ZDnet](#)

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Payment

### **InstaReM Releases API for Card Issuers**

InstaReM, Southeast Asia's leading digital cross-border money transfer and payments company, has announced the launch of its API-based digital platform that will enable start-ups, fintech companies and enterprises to launch their own branded cards. With the card-issuing platform, InstaReM's Fintech partners and enterprise customers can now ride on InstaReM's global digital ecosystem for payments and remittance, without needing to obtain multiple local licenses to be able to issue payment cards to their employees and vendors.

Source: [Finextra](#)

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Payment

Ant Financial

### **Ant Financial Subsidiary WorldFirst Launched "Layered Pricing"**

WorldFirst, the international payment company of Ant Financial, announced that it is the first in the industry to introduce a "layered pricing" approach to provide more affordable services for small and medium-sized international e-commerce companies to reduce the cost of merchants. According to this new mechanism, international e-commerce merchants can receive preferential rates based on the amount of transactions when collecting money, up to 0.3% cap. This adjustment not only reduces costs for merchants, but more importantly introduces a tiered rate mechanism to meet the needs of merchants for transparent transactions.

Source: [Sinotf](#)

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Capital Market

Trading

### **Gentwo Launches AMC Platform for Swiss Asset Managers**

GENTWO (securitization specialist of next generation financial products), CAT Financial Products (independent Swiss provider of investment solutions and technologies in the market for structured products) and Aquila (the trust bank for asset managers) have entered into a collaboration agreement. They have launched an independent platform for next generation actively managed investment certificates (AMC). The innovative AMC platform enables Swiss

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asset managers to launch Swiss-compliant AMC (the next generation) with Swiss ISIN code on their own, and then make unlimited use of sophisticated portfolio management services.

Source: [Finextra](#)

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