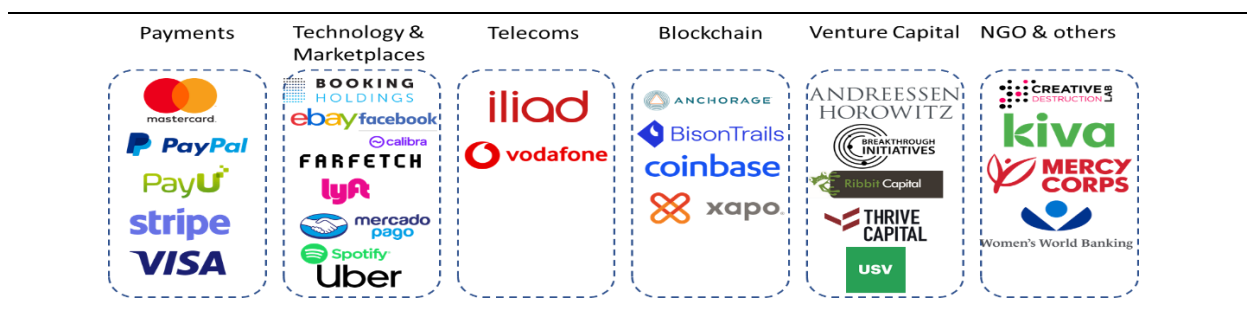




## Chart of the week – Facebook’s blockchain solution for global payment market

Figure 1: Facebook Libra will be permissioned blockchain first with 28 “super nodes”; it targets to later migrate to a fully permissionless blockchain



Source: Facebook

### Payment to retain traffic in Facebook domains; whether it will challenge Bitcoin’s status is unclear

Facebook released the white paper of its cryptocurrency project Libra on 18<sup>TH</sup> June. Libra will enable users to send money globally in an instant, secured manner at low cost. Official launch of Libra is scheduled in 2020. All in all, Facebook is trying to use payment to retain users to its domains, just like what WeChat Pay did to Wechat. Libra could educate the mass market on the benefit of decentralization and the importance of data privacy. While its stability could mean a wider audience, whether it will be able to challenge the status of Bitcoin as a decentralized and trustworthy medium of exchange, store of value remains to be seen.

### The stability in price and Gold Standard alike reserve arrangement could lead to better mass market adoption

This is Facebook’s first attempt to enter global payment market, in a time when its core advertising business is under attack amid mistrust from users. Libra coin price is benchmarked to a basket of fiat currencies, making it much less volatile than other cryptocurrencies and little room for speculation/manipulation. Libra is collateralized by 100% liquid asset reserve under Libra Association and guarantees a fixed price conversion to fiat currencies. Under-reserve seen at other “stablecoin” should not be a concern. However, such stablecoin relies on the trustworthiness of a centralized reserve just as Gold Standard; how to avoid the manipulation of centralized trust needs further clarification.

### Compromise on decentralization could raise further issues

There is also some compromise on decentralization to achieve speed. Libra’s Delegated Proof-of-Stake (DPoS) consensus protocol will employ up to 100 “super nodes” (current number is 28) to be the block validators and voters. Some prior platforms that employ similar consensus process tend to see concentration in voting power and attract questioning on integrity. The ultimate goal is to migrate to a fully decentralized permissionless network, but without a clear roadmap. The 28 founding partners include payment companies (MasterCard, PayPal),

technology companies (Booking, Facebook, Uber), telecom companies (Vodafone), VC funds (a16z), and blockchain companies (Coinbase).

### **Anonymous identity and firewall between financial data/social data is a must**

Libra transaction will be on anonymous basis and Facebook created a subsidiary Calibra to separately manage financial transaction data, separating from social media data. Libra can be stored and sent on Calibra Wallet embedded in Whatsapp/messenger/Facebook or other third-party wallets.

### **Libra could challenge the role of fiat currencies and raise regulatory issues**

With 2.7 billion Facebook/Whatsapp/messenger/Instagram users, and some very powerful partners to onboard merchants, it could extend to a wider acceptance where even Bitcoin has not been able to reach. However, this would also mean Libra is competing with fiat currencies which could potentially raise regulatory issues. A more likely route is to start from countries with large under-banked populations or hyper inflations.

## News of the week

June 13, 2019

Neo Bank

### **Fintech Startup N26 Issued an Update on its Main Metrics**

Fintech startup N26 just issued an update on its main metrics. The bank now has 3.5 million customers across 24 European markets. The company is about to expand to new countries, such as the U.S. In addition to the Eurozone, N26 is currently available in the U.K., Denmark, Norway, Poland, Sweden, Liechtenstein and Iceland.

Source: [TechCrunch](#)

June 17, 2019

Cryptocurrency

Payment

### **Ripple Takes \$50 Million Stake in MoneyGram in Push to Deploy XRP**

Cryptocurrency company Ripple on Monday announced a major partnership with MoneyGram, which will see the money transfer service use the digital currency XRP as part of its day-to-day operations.

Source: [Fortune](#)

June 11, 2019

Payment

Blockchain

### **Visa Goes Live with Blockchain-Powered Business Payments Service**

Visa's blockchain-powered business-to-business payments service, first made public in October 2016, has officially gone live. The payments giant has launched its Visa B2B Connect network – a product that was originally developed alongside blockchain startup Chain. Visa B2B Connect at launch will serve businesses seeking to make payments to 30 markets.

Source: [CoinDesk](#)

June 10, 2019

Payment

Mastercard

### **Mastercard and Payswiff Partner to Boost Digital Payments in Tier II and III Cities**

Mastercard and Payswiff announced that they have signed a partnership to boost digital payments solutions beyond the top eight cities of the country, aimed at speeding up acceptance and adoption of digital payments in India. They will provide app, services and support in regional languages, especially in areas where Point-of-Sale (PoS) machines are not easily accessible.

Source: [YOURSTORY](#)

June 11, 2019

Payment

Amazon

### Amazon's New Rewards Card Targets those with Bad Credit

Amazon announced the launch of Amazon Credit Builder, a new secured credit card offered in partnership with Synchrony Bank. As the name implies, the card is aimed at those who are looking to build their credit history — either to recover from bad credit or to establish new credit. Like other credit products Amazon has launched, the card's big perk is cash back on Amazon.com purchases — in this case, 5% back on purchases if the cardholder is a Prime member.

Source: [TechCrunch](#)

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June 12, 2019

Mobile Wallet

Payment

### Curve Introduces 1% Instant Cashback with Curve Cash

Curve, the London fintech that now describes itself as an “over-the-top banking platform,” is unveiling a re-vamped cashback feature in a bid to draw in more customers for the premium versions of its Curve card. The company lets you consolidate all of your bank cards into a single Curve card and app to make it easier to manage your spending and access other benefits.

Source: [TechCrunch](#)

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June 12, 2019

Blockchain

### IBM, KPMG, Merck, Walmart Team Up for Drug Supply Chain Blockchain Pilot

IBM announced its latest blockchain initiative. This one is in partnership with KPMG, Merck and Walmart to build a drug supply chain blockchain pilot. These four companies are coming together to help come up with a solution to track certain drugs as they move through a supply chain. IBM is acting as the technology partner, KPMG brings a deep understanding of the compliance issues, Merck is of course a drug company and Walmart would be a drug distributor through its pharmacies and care clinics.

Source: [TechCrunch](#)

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June 10, 2019

Neo Bank

Apple Pay

### Revolut Adds Apple Pay Support in 16 Markets

Fintech startup Revolut has expanded its support for Apple Pay, confirming that from today the payment option is available for users in 16 European markets. Customers in the supported markets can add their Revolut card to Apple Pay via the Revolut app or via Apple's Wallet app. Those without a plastic card can add a virtual card to Apple Wallet via the Revolut app and are able to start spending immediately, without having to wait for the physical card to arrive in the post.

Source: [TechCrunch](#)

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June 12, 2019

Blockchain

InsurTech

### Insurer L&G Uses Amazon Blockchain Service for Pension Deals

Legal & General, a U.K.-based multinational financial services company, has said it will use Amazon Web Services' (AWS) managed blockchain system to manage and record bulk annuities for its insurance business.

Source: [CoinDesk](#)

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June 11, 2019

regTech

### China Online Clearing House Introduces One-Click Link with Multiple Cards

China's newly launched online clearinghouse Nets Union Clearing Corp. (NUCC) has developed a one-click card-binding business function, providing customers with a more flexible way of signing the card for payment. China Construction Bank, Alipay and Qianbaobao (Meituan's payment platform) have become the first batch of landing agencies. The newly launched function is initiated by the bank as the initiator, and the information exchange with the payment institution is completed through the network connection platform, and the customer

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identity authentication and the contract binding card are realized under the condition of safe and reliable.

Source: [JRJ](#)

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June 11, 2019

### Ant Financial Ties Up with Vanguard China Unit to Offer Investment Consulting

Ant Financial

China

Alibaba affiliate Ant Financial has set up a financial services joint venture with a Shanghai subsidiary of the world's largest mutual fund, public records show. The joint venture with a unit of Vanguard was registered with an initial investment of 20 million yuan (\$2.9 million) and will focus on services including investment consulting, according to the records. Ant Financial will control the company with a 51% stake, while the Vanguard subsidiary will hold the rest of the new enterprise.

Source: [CXlive](#)

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June 13, 2019

### Bank of China Announces its FinTech Subsidiary

Payment

Bank of China established a wholly-own subsidiary BOC Financial Technology Co., Ltd. ("BOC Financial Technology") on 13 June 2019 in Shanghai. With a registered capital of RMB600million, BOC Financial Technology covers technological innovation, software R&D, platform operation and technical consulting using fintech. The establishment of BOC Financial Technology is one of the significant moves of the state-owned bank to promote the strategy of enabling advancement through technology and build a digitalized bank.

Source: [BTC](#)

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June 17, 2019

### India's Payments Firm MobiKwik Kick-starts its International Ambitions with Cross-border Mobile Top-ups

Mobile Wallet

Payment

MobiKwik, a mobile wallet app in India that has expanded to add several financial services in recent years, said it plans to enter international markets as it approaches profitability with the local operation. The company is kick-starting its overseas ambitions with cross-border mobile top-ups support.

Source: [TechCrunch](#)

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June 11, 2019

### H&R Block to Acquire Wave Financial, Which Develops Accounting, Invoicing, and Receipt-tracking Software for Small Business Owners

Accounting&Finance

Toronto-based Wave Financial, a financial planning platform for small business owners, is set to be acquired by international tax preparation company H&R Block for \$537 million CAD. It was announced Tuesday that H&R Block has entered into a definitive agreement to acquire Wave, as part of the large financial institution's strategy to pursue new growth opportunities and grow into the small business market. The acquisition, which is still subject to regulatory approval and closing conditions, expands H&R Block's product and client portfolio with Wave's accounting, invoicing, payroll, and payments software solutions and will also see Wave adding H&R Block tax solutions to its suite of products.

Source: [BetaKit](#)

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June 10, 2019

### Getsafe, the German Insurance App, Scores \$17M Series A

InsurTech

Getsafe, the German insurance startup targeting millennials, has raised \$17 million (€15m) in a Series A funding. Founded in May 2015 by Christian Wiens (CEO) and Marius Blaesing (CTO), Getsafe initially launched as a digital insurance broker but has since pivoted to a direct to digital consumer insurance offering of its own (its brokerage business was sold to Verivox).

Source: [TechCrunch](#)

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June 11, 2019

Credit Score

### Fintech Startup Brex Valued at \$2.6B with New Cash from Kleiner Perkins

Brex has announced \$100 million in funding in a series C extension round led by Kleiner Perkins Digital Growth Fund, with participation from existing investors, including Y Combinator Continuity, GreenOaks Capital, IVP, Ribbit Capital, and DST Global. This takes Brex's total equity funding to \$315 million, with a valuation of \$2.6 billion — a considerable growth trajectory for a company founded in 2017 that has been widely available for less than a year.

Source: [VB](#)

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June 11, 2019

InsurTech

### Insurance Startup Lemonade Expands into Europe

Lemonade, the insurance company that's raised \$780 million, is today expanding into Europe with the launch of Lemonade in Germany. Unlike other digital insurance brokers, Lemonade is a licensed insurance provider in its own right. But rather than calling around to get a quote from the big guys, Lemonade users interact with a chatbot via the app to get signed up for insurance. It takes less than five minutes to get covered.

Source: [TechCrunch](#)

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June 12, 2019

Online Lending

Wealth Management

### Baidu Affiliate and China Everbright Bank Launch FinTech Partnership

Baidu Inc.'s financial affiliate Du Xiaoman Financial recently has signed a strategic cooperation agreement with China Everbright Bank. The partnership will help the company further its plans to expand into the FinTech industry. The two parties announced that they will partner in the fields of financial technology, personal finance, consumer finance, payment and scenarios, corporate finance, employee comprehensive services, and comprehensive finance based on their respective resource advantages fields.

Source: [JRJ](#)

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June 13, 2019

Neo Bank

Payment

### Monzo, the UK Challenger Bank with over 2 Million Users, Expands to the US

Monzo, the U.K. challenger bank with more than two million customers and a unicorn valuation to go with it, has formally announced its U.S. expansion. The tentative move will see a U.S. Monzo app and connected Mastercard debit card made available via in-person signups at events to be held soon. The rollout will initially consist of a few thousand cards, supported by a waitlist in preparation for a wider launch.

Source: [TechCrunch](#)

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June 13, 2019

Mobile Wallet  
Personal Finance

### Emma, the London-based Money Management App, Launches in the US and Canada

Emma, the U.K. money management app has launched in the United States and Canada — and is now one of a plethora of London fintech venturing States-side. Described as your “financial friend,” the Emma app connects to your bank accounts to help you budget, track spending and save money. It aims to help you understand things like how much money you have left to spend until your next payday, track and find wasteful subscriptions and preemptively avoid going into your bank's overdraft.

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Source: [TechCrunch](#)

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June 12, 2019

Capital Market

Trading

### **Funderbeam, the Funding and Trading Platform for Private Companies, Scores \$4.5M Series A**

Funderbeam, the funding and trading platform for private companies founded by Kaidi Ruusalepp, who was previously CEO of the Nasdaq Tallinn stock exchange, has raised \$4.5 million in Series A funding. Aiming to “fill in the gap” in venture and SME capital markets, Funderbeam provides access and liquidity to growth-stage investments via its information and trading platform.

Source: [TechCrunch](#)

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June 12, 2019

Retail Investing

Trading

### **Bux Raises Additional \$12.5M as It Gears up to Launch ‘Zero-commission’ Investing App**

Bux, the Amsterdam-based trading app that wants to make investing fun, has picked up an additional \$12.5 million in new funding. Venture capital firms Velocity Capital and Holtzbrinck Ventures led the round. The newly raised capital will in part be used to launch “STOCKS,” the company’s planned app for “commission-free” investing. Bux is also disclosing that it has already spent some of the funding on the acquisition of online broker ayondo markets Limited (AML).

Source: [TechCrunch](#)

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June 17, 2019

Mobile Wallet

### **Cleo, the London-based Fintech, has Quietly Taken Debt Financing from US-based TriplePoint Capital**

Cleo, the London-based “digital assistant” that can replace your banking apps, has quietly taken venture debt from U.S.-based TriplePoint Capital, according to a regulatory filing.

Source: [TechCrunch](#)

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June 17, 2019

Payroll & Benefits

### **PayFit Raises \$79 Million for its Payroll Service**

French startup PayFit is raising a new \$79 million funding round (€70 million) from Eurazeo and Bpifrance. The company first started with a payroll service for small and medium companies in France. It has evolved into a full-fledged HR solution for multiple European countries.

Source: [TechCrunch](#)

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June 17, 2019

Blockchain

### **Algorand, a Proof-of-Stake Blockchain Company, Goes Open Source**

Algorand, a permission-less, proof-of-stake blockchain and technology company, announced that their node repository is now open source. Part of Algorand’s ongoing mission to develop and promote a decentralized blockchain, the company has made several of its projects open source over the past year, including a Verifiable Random Function and their Developer SDKs.

Source: [CoinDesk](#)

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June 11, 2019

Payment

### **Zimperium Said Most US Mobile Banking Apps Have Security and Privacy Flaws**

## Mobile Bank

New findings from security firm Zimperium, said most of the top banking apps have security flaws that put user data at risk. The security firm, which has a commercial stake in the mobile security business, downloaded the banks' iOS and Android apps and scanned for security and privacy issues, like data leaks, which put private user data and communications at risk.

Source: [TechCrunch](#)

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