



Headlines

Crypto – **MDBC and crypto are more and more attractive**

- **UNITED STATES** – The launch of Novi is approaching
- **CAMBODIA** – Cambodia sets up a payment infrastructure on Blockchain
- **UNITED STATES** – PayPal realizes its ambition to democratize cryptocurrencies

China has a clear lead in the field of central bank digital currencies (CBDCs). It has just announced the testing of a new use case. China's national digital currency has indeed been used to facilitate transactions on the country's futures market. This new test is a world first on a stock market. It is in this context, that Facebook announced that its wallet Novi, which will host the stable coin Diem had received approval from the U.S. regulator for a launch in several states of the country. Facebook is still under strong pressure from the Federal government that threatens him with dismantlement. In other countries in the world, the MDBC are used for monetary stability as in Cambodia or for innovation and inclusion as in the Bahamas. For its part Paypal has announced the expansion of its service to buy and hold cryptocurrencies in their e-wallet. Whatever the channel, crypto is progressing and becoming more and more an essential exchange asset.

Fintech – **A new wave of consolidation**

- **INDIA** – PAYTM files for IPO in India
- **UNITED STATES** – Square acquires Afterpay, the Australian leader in BNPL
- **BRAZIL** – Nubank eyeing an IPO

While fragmented payments is catching a lot of the interest in the payment market, this market is becoming a mature market with a new wave of structuration. The main examples are the takeover of Afterpay by Square for an amount of \$29 billions in the United States and the acquisition of Floa by French bank BNP Paribas. A similar phenomenon is happening in the mobile payment ecosystem, where major players are emerging. In India, the wallet Paytm has become a super app model in the same way as Wechat and Paypal. It is preparing its IPO, which would represent one of the biggest market listing actions recorded in the country. A market which is very coveted by the American tech giants who are launching a multitude of new financial services. The other giant of the alternative players, which has been in the news this month, is Nubank, which is still the first neobank in terms of number of users in the world. After announcing its launch in the US market and raising capital from the largest investment funds, it could also go public and the hopes that are based on the potential of the South American market could offer it, a record valuation.

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A word on...

Player's Strategy

FRANCE - BNP Paribas, the Casino group and Crédit Mutuel Alliance Fédérale have just signed an exclusive agreement to finally validate the sale of Floa to BNP Paribas. The details of this project are now known. BNP Paribas is acquiring 100% of Floa's capital for €258 million (Floa's equity amounted to €184 million at the end of 2020). BNP Paribas thus becomes the exclusive supplier and distributor of the consumer credit products offered under the Floa brand, including its fragmented payment solutions. However, this acquisition also provides for a partnership between the Casino Group and BNP Paribas for the development of the "Floa Pay" fragmented payment activity. In terms of prospects, BNP Paribas is now a French heavyweight in fragmented payments, with a 33% market share. The group plans to complete the European deployment of Floa in the near future. The transaction still requires the necessary approvals, notably from the French Competition Authority and the European Central Bank.

BRAZIL - The Brazilian neo-bank Nubank is still raising the stakes. While its valuation reached a record high last June, it has almost doubled with the announcement of its potential IPO in the United States. Eight years after its creation and only a few months after its launch in the United States, Nubank is ready to go public. This operation would allow it to reach a valuation of more than 55 billion dollars, which is more than Itau Unibanco, one of the main banks in the country. Especially since Nubank finally managed to make a profit in the first quarter of 2021 (to the tune of \$1.3 million) after recording almost \$43 million in losses in 2020. With more than 12 million customers in Brazil, the Brazilian unicorn has gained 1.5 million customers in Mexico in just over a year and has 300,000 Colombians on a waiting list. It has a total of 40 million customers in Latin America and plans to expand to other countries.

Cards

BBVA ensures the deployment of its no-number card

Colombia / Mexico / Peru

BBVA has new ambitions for its Aqua card, which has no number. It is currently rolling out the card on the American continent. This is an opportunity for the Spanish bank to highlight the success of its initiative, which was first launched in its home country.

FACTS

- BBVA presented its Aqua card last October. It has no PAN number, no expiration date and no CVV.
- This last number will also be dynamic and can only be accessed via the application.
- Alternatively, they can also use the application to make payments in store.
- The card is also made from recycled plastic in order to respect the environment.
- Since its launch, more than one million Aqua cards have been issued in Spain. It has become the most widely distributed card in the BBVA range.
- Today, BBVA wants to apply this winning model across the Atlantic. The group's Latin American subsidiaries are now involved in the distribution of this card, which is presented as being more secure and more environmentally friendly.
- The Aqua card has been available in Mexico since June for new customers and will soon be available for old customers when they renew their cards.
- It will be distributed next month in Peru and Colombia.

CHALLENGES

- **Accompanying the change in usage by merging payment cards and mobile payment:** With the advent of mobile payment and online payment, usage has changed. BBVA's survey shows that security, planning and control of spending, as well as the ability to perform a large number of transactions via cell phones, are the most important attributes.
- **Making payment supports more sustainable:** The Aqua card's commitment to the environment is not new to the group. BBVA has just launched a range of recycled PVC cards in Argentina and plans to renew its entire fleet in that country in the medium term.

MARKET PERSPECTIVE

- BBVA was one of the first historical banks to follow Apple's innovative model by removing visual information from its cards.
- Cards are still a preferred payment medium, but there is a fundamental trend towards their renewal. For example, in addition to the disappearance of numbers, MasterCard is considering abandoning the magnetic stripe on its cards by 2033.

Source : [Presse release](#)



Lydia launches its cash-back programme with Paylead

France

The online bank Lydia, initially specialized in mobile payments, has just strengthened its partnership with Paylead, a FinTech specializing in bank data analysis. They are thus jointly launching a new cash-back offer and fulfilling the contract they had set for themselves.

FACTS

- The new cash-back offer that will be proposed to Lydia's customers has been named "Remises". It is the result of a collaborative effort between Lydia and its partner Paylead.
- "Remises" takes the form of a cash-back program allowing Lydia users to receive a percentage of their online or in-store purchases.
- This amount is estimated at 4% on average.
- Customer journey:
 - To take advantage of "Discounts", Lydia customers can go directly to their app and click on a dedicated tab before accepting the terms of use.
 - The accumulation of discounts is then automatic, and the cash-back is transferred to the user's Lydia account every 20th of the month.
 - The "Rebates" are triggered when spending with the Lydia Visa card as well as with the other cards linked to the Lydia account. However, a higher discount rate is applied when payments are made with the Lydia card.
- There is no charge to join the "Rebate" program.

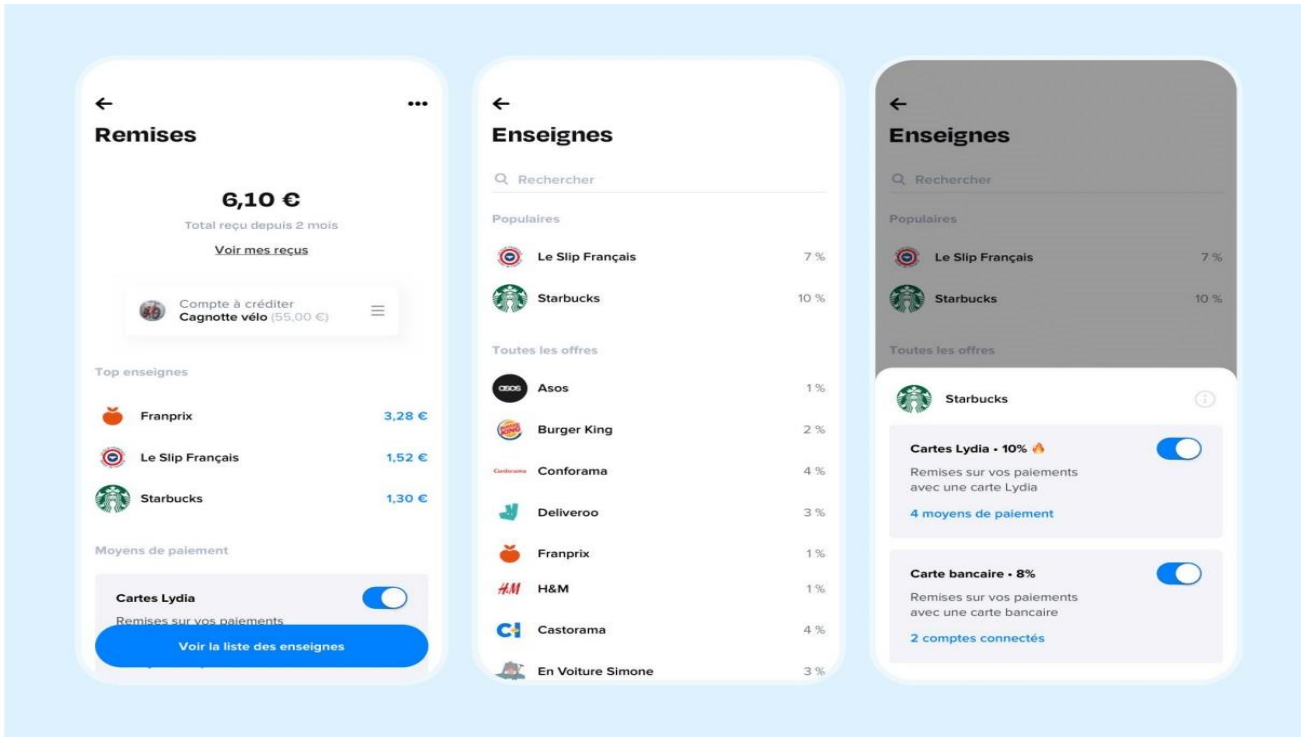
CHALLENGES

- **Realize a partnership:** Paylead and Lydia announced their partnership last March. This partnership should allow Lydia to offer a cash-back service to its customers.
- **Diversifying its offer:** Lydia has gone from being a FinTech specializing in payments to a complete neo-bank. It now offers a current account, payment methods, interest-bearing savings, a credit offer and payment facilities.
- **Increasing usage:** The launch of "Remises" aims to satisfy Lydia's customers on the one hand, but above all it reflects the FinTech's ambition to increase the attractiveness of its services and the usage of its payment methods.

MARKET PERSPECTIVE

- Lydia and Paylead relied on a study to justify the relevance of their new offer. According to the Syndicat National du Marketing à la Performance (SNMP) dating from the end of 2019, the volume of sales generated by cash-back sites in France would have exploded between 2016 and 2019, showing an increase of 176%.
- The "Rebates" program is not Lydia's first foray into the rewards field. The FinTech already allowed its customers via a roulette system, to see the amount of their transaction (paid with their Lydia card) refunded up to two times with each payment. An initiative that Virgin had tested with its customers in Australia.

Source : [Presse release](#)



Mobile services

Blik allows users to make NFC payments directly from a bank account

Poland

Polish consumers will soon be able to use their NFC Android device to make tokenized contactless payments at the point of sale (POS) directly from their bank account via their mobile banking app without needing a debit or credit card.

FACTS

- With this new system, all you have to do to make a payment is bring your phone close to the payment terminal after unlocking it (the NFC function must be activated on the phone). The phone doesn't even need to be in range of a mobile network or have an Internet connection during payment.
- Polish mobile payment service provider Blik is making contactless functionality available in the applications of six of the 17 banks that support its mobile payment solution.
- BLIK contactless payments were developed based on tokenization technology - Mastercard Digital Enablement Services (MDES).

Key figures:

- The Blik service was created 6 years ago
- It is available to more than 16 million users of banks' mobile applications in Poland
- Almost half of all transactions made in the mobile applications of banks in Poland are BLIK payments.
- More than 1 billion transactions have already been made since the system was activated. There were 44 million in 2020 alone.
 - More than 3/4 of the transactions made with Blik are online payments,
 - more than 9% are P2P transactions,
 - slightly less are F2F transactions in the terminals
 - and almost 7% are ATM withdrawals.

CHALLENGES

- **Testing new types of settlements:** Unlike EMV, in the case of Blik contactless transactions carried out in POS terminals operated by acquirers who are Blik participants, the settlement will be carried out directly between the acquirer and Blik.
- **Expand usage:** It is no longer necessary to have another physical payment instrument to pay with a phone at a land terminal. This solution will further popularize mobile payments among people who have never done it before.

MARKET PERSPECTIVE

- BLIK Contactless is on par with technology giants such as Apple or Google in terms of security or convenience for the user in the fixed channel (POS). All the customer has to do is unlock the device and move it closer to the payment terminal.

Source : [Presse release](#)



B2B Payments

Finfrog, from microcredit to fragmented payments

France

A new entrant in the highly sought-after fractional payment segment. It is the fintech Finfrog born in 2016 and specialized in micro-credit between individuals. It is now targeting e-retailers, marketplaces and other merchants. According to its founder, this pivot is explained by the inclusive nature of fractional payments.

FACTS

- A French startup founded in 2016, [Finfrog](#) lends to people who are creditworthy but excluded from traditional credit channels.
- More than 150,000 customers have used its services since its launch.
- With this solution, Finfrog is targeting more merchants and e-merchants who have been growing rapidly over the past two years. This solution will allow them to increase their conversion rate and the number of average baskets by allowing the purchase in several times.
- The start-up will offer payment in 10 or 12 instalments for baskets ranging from 50 to 5,000 euros.

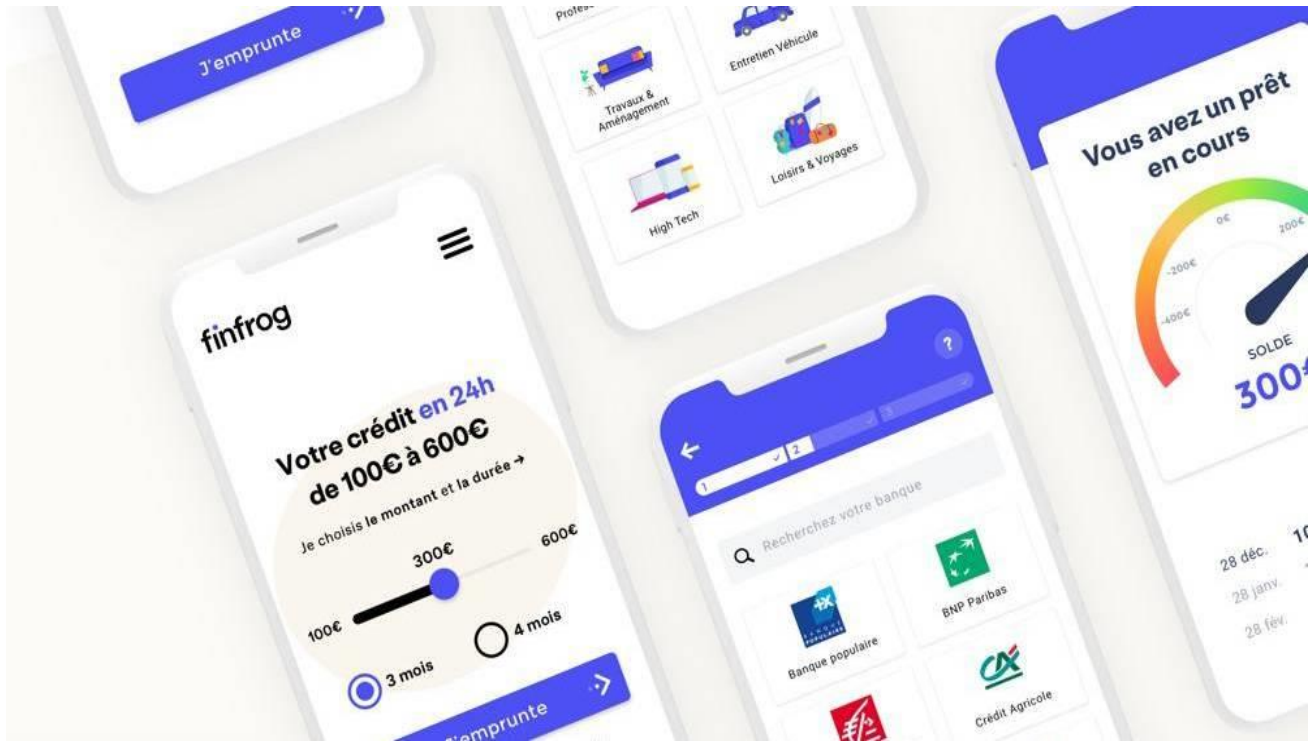
CHALLENGES

- **Enhance its expertise to grow:** Finfrog relies on a scoring method developed internally and proven by five years of activity.
- **Develop its offer to its target:** Finfrog, which already offers repayments over 24 months for some of its partners, should offer this more widely. Amounts and durations are calibrated on a case-by-case basis.

MARKET PERSPECTIVE

- In general, split and deferred payments are the big trend in the fintech world. The American PayPal and the Swedish Klarna, which recently [launched its offer in France](#), are the best known players.
- On the French side, [Alma has recently partnered with Banque Postale Consumer Finance](#) to finance merchants' receivables.
- Younited, the consumer credit specialist, will [strengthen its deferred payment offer](#) for merchants thanks to its latest fundraising.

Source : [Usine digitale](#)



ING rewards its customers for paying their bills

Australia

ING Australia has embarked on a new customer satisfaction strategy by introducing a cash-back offer that is unique in Australia. The offer is based on rewarding customers for paying their energy bills.

FACTS

- The Australian bank has introduced its new initiative as part of an update to the benefits of its Orange Everyday account.
- A cash-back offer has thus been integrated into it, offering its customers to pay back 1% of the amount of their energy bills.
- Conditions:
 - access from an Orange Everyday account,
 - amount paid back limited to 100 dollars per year,
 - eligible bills only for energy expenses (gas, water, electricity),
 - payments by BPay (Australian electronic bill payment system) or direct debit.

ISSUES

- **Remain a main bank:** To fight against multi-banking, ING is counting on a double loyalty formula combining a reward and the obligation for beneficiary customers to inform their ING account with their energy suppliers.
- **Responding to an important need:** ING conducted a study on the needs of Australians prior to the launch of its new service. 71% of Australian households said they had noticed that the cost of their energy services had increased over the past three years. However, 23% admit they have never compared utility bills and 22% say they have never even switched suppliers. Australian households pay an average of \$5,472 per year (\$456 per month) for their energy services. ING says they could save an average of \$50 a year with its new service.

MARKET PERSPECTIVE

- Cash-back offers are gaining momentum around the world, driven by alliances between various financial services players and merchants. BNPL specialist Klarna illustrated the trend in June 2020 with the launch of Vibe.
- In France, Lydia offers a similar service with PayLead, as does AuMax and some major French banks such as Crédit Agricole and Société Générale.
- Orange, for its part, is showing some originality on the theme. Like ING Australia, Orange Bank offers to give rewards to its customers for paying some of their bills. But Orange limits itself to the bills issued by its own group, and more specifically, by its operator. Thus, only holders of the Orange Bank Premium card can have 5% of their Orange bills (Internet and mobile) paid from their Orange Bank account reimbursed up to a limit of 3 euros per month.

Source : [Presse release](#)



1% cashback on eligible utilities

How'd you like 1% cashback on eligible utilities payments from 1 December 2021? See how to qualify below.

Money transfer

Swift improves its international payments system

International

SWIFT today announced a service that will allow banks to verify beneficiaries' account details before sending an international payment, eliminating a key friction point in cross-border transactions.

FACTS

- One of the leading causes of failed cross-border payments is inaccurate payee information, whether it's misspelled names or transposed account numbers.
- SWIFT's payment pre-validation service addresses this problem by allowing a sending bank to confirm account details, via an API, with the receiving bank early in the process so that any data or account issues are identified up front.
- SWIFT will implement this system across its network of up to 11,000 institutions and 4 billion accounts in 200 countries.

CHALLENGES

- **Reduce friction:** According to the cooperative, this new service will provide additional controls based on reference data encompassing millions of transactions to better predict at the front end of the transaction when it may potentially encounter friction points along the way.
- **Innovating to compete:** Swift's goal is to dramatically improve end-to-end efficiency, reduce total costs and create services that enable financial institutions to capture growth and create new, differentiated customer experiences. Payment pre-validation is one of many upcoming services that will support the first release of the platform in November 2022.

MARKET PERSPECTIVE

- Visa announced today that it has entered into a definitive agreement to acquire Currencycloud, a global platform that enables banks and fintechs to provide innovative foreign exchange solutions for cross-border payments.
- BBVA has signed an agreement to integrate cross-border payment and financing services into Ant Group's blockchain platform for global trade, Trusple.
- The Bank for International Settlements (BIS) released the blueprint for its instant cross-border payments solution called Nexus. The BIS Innovation Hub says the Nexus solution will connect to instant payment systems (IPS) in all countries to provide users with ultra-fast cross-border payments.

Source : [Presse release](#)

**ELIMINATING FRICTION
WITH PAYMENT PRE-
VALIDATION**

E-commerce & E-payment

Facebook extends its payment service to its partners

United States

Facebook is expanding the reach of its Facebook Pay payment service outside its own platform and various services and apps, allowing online merchants to add the service as a payment option directly to their own sites.

FACTS

- Available since late 2019, the payment service that runs on the social media giant's main apps, Messenger, Instagram and WhatsApp, is moving out of the Facebook ecosystem, joining competition from PayPal, Google and Apple in the fight to be chosen as a payment option.
- The social media giant's 2.8 billion monthly active users are a formidable base from which to develop its new revenue stream.
- The first partner to activate the service is e-commerce platform Shopify. Other merchants are expected to join the list.

CHALLENGES

- **Provide customers with a frictionless, mobile-friendly way to pay online:** When customers choose Facebook Pay as a payment option, they can log in with their Facebook credentials and payment forms will be pre-populated with the information stored in their account without having to re-enter their payment information.
- **A way to "help more creators make a living on our platforms":** As a tactic to its main rival Apple, which introduced a privacy update that could hurt Facebook's advertising business, Zuckerberg announced that it would not take commissions on creators until 2023 and lower than Apple's 30% commissions applied to apps hosted on its Apple store.

MARKET PERSPECTIVE

- In June, Facebook added support for QR codes to the payment platform, allowing users to send money to people outside their group of friends.
- At the same time, it integrated shopping features into its broader ecosystem of social apps to take advantage of the transition to e-commerce. In May, Facebook introduced stores that turn business pages on its Instagram platform into online storefronts.
- Like Google and Snapchat before it, the company is also turning to visual search to help people discover more shoppable products on Instagram.
- Finally, WhatsApp has also designed a buy button that allows users to browse a merchant's product catalog.

Source : [The Verge](#)

FACEBOOK PAY



Credit Transfer & Direct Debit

Revolut makes payroll advances

United Kingdom

The British neo-bank Revolut is launching a new service in the United Kingdom. Called Revolut [PayDay](#), it offers its customers advances on their salaries in order to facilitate their daily lives. The service underlines Revolut's ambitions in the credit market.

FACTS

- PayDay is a new service presented by Revolut to allow employees to release part of their salary in advance.
- The neo-bank intends to offer this service by signing partnerships with British companies so that their employees can benefit from it.
- Technically, Revolut connects its service directly to the company's payroll system and then manages the advances without any further steps for the company.
- Employees can then request advances throughout the month up to a limit of 50% of their total salary.
- The service is free for companies and charged at £1.50 per transaction directly to the final beneficiaries when their advances are released.
- Revolut has just launched its service in the UK and is already planning to expand it to other countries in Europe and the US.

CHALLENGES

- **Getting around restrictions:** While awaiting a banking license in the U.K., Revolut is not abandoning its ambitions for the credit market.
- **Building on social:** PayDay is presented by Revolut as an alternative service to credit cards, revolving credit and other short-term loans. Payday advances are presented here as a social benefit and not as a lever for overindebtedness; they do not affect the credit score of recipients.
- **Become the primary bank:** Only banks where salaries are domiciled have holistic visibility into their clients' spending. This is the holy grail for neobanks, whose business model is based on customer data analysis, who are redoubling their creativity to push customers to take the plunge.

MARKET PERSPECTIVE

- Last June, Revolut presented mixed results. While the FinTech posted profitability earlier, it still broke [records for losses](#) in its 2020 business.
- But a large portion of those losses are attributed to significant investments to launch new products.
- Revolut PayDay is one example. Here, the service is taking on a model carried by many FinTechs in Spain ([Typs](#) or [PayFlow](#), for example) and the United States ([Even](#) and [Activehours](#)) in particular.

Source : [Techcrunch](#)

Revolut Payday

Make any day
Payday



Natwest finally joins the Pay By Bank project

United Kingdom

MasterCard has just announced that NatWest Group will finally offer its Instant Payment service to its customers. A move that allows [Pay By Bank](#) to gain an even greater foothold in the UK.

FACTS

- Originally, [Pay By Bank](#) was a "fast" transfer payment service developed by VocaLink, which was joined by the Royal Bank of Scotland, Barclays, Halifax and Lloyds Bank. MasterCard later acquired Vocalink, integrating the solution into its offering.
- Since then, HSBC has joined the association.
- NatWest was therefore an exception in the British market by not offering Pay By Bank.
- All the group's brands will finally offer the service, namely NatWest, Royal Bank of Scotland, Ulster Bank and Coutts.
- All the group's customers will have free access to the service by the end of the year.
- With this new partnership, the Pay by Bank application will now be available on more than 21 million mobile banking applications in the UK.

CHALLENGES

- **Simplify online payments in the UK:** PbBa is a new, easy-to-use payment method that allows people to pay online, quickly and securely, from their banking app. It eliminates the need for users to create additional accounts, logins or passwords as it is powered by the same security measures and technology as the linked banking app.
- **Strengthening a partnership:** Earlier this year, Natwest announced its decision to migrate its entire debit card fleet to MasterCard. Natwest's involvement in the Pay By Bank project is a confirmation of this move.
- **Broadening the adoption:** Natwest's announcement that it will be involved in the rollout of the payment application is a further confirmation of Pay By Bank's ambitions to become the UK's leading instant transfer payment service.

MARKET PERSPECTIVE

- NatWest has been slow to offer Pay By Bank to its customers because the British bank has been trying to establish its own online payment solution.
- For MasterCard, PbBa is a strategic issue, as it is being developed in parallel with the [RTP](#) protocol, which offers the same functionalities and replaces the use of credit cards. MasterCard is also working on adding new functionalities to its service that should allow one-click payments, deferred payments, or subscription payments.
- In France, FinTech PennyLane launched an eponymous service with Fintecture last March, taking its inspiration from the British solution in an attempt to impose itself on the instant transfer market.

Source : [Presse release](#)



Player's Strategies

PAYTM files for IPO in India

India

India's number 1 mobile payment service provider, Paytm, is reportedly preparing for an IPO. This IPO (Initial Public Offering) would represent one of the largest market listing actions ever in the country.

FACTS

- Paytm, a subsidiary of One97 Communications Group, is reportedly targeting an IPO for \$2.2 billion, or Rs 166 billion.
- In its regulatory filing, Paytm says the IPO will take the form of:
 - issuing new shares for a total amount of \$1.1 billion (Rs. 83 billion),
 - the sale of shares by its historical investors for the same amount.
- India's leading digital payments company, whose major shareholders currently include Ant Group, Berkshire Hathaway and Softbank, has just sought regulatory approval to complete the massive transaction.
- If approved, Paytm would reach a valuation of \$25 billion.

KEY FIGURES

- One97 Communications was last valued at \$16 billion.
- It has more than 333 million users and a network of more than 21 million merchants.
- One97's consolidated net losses narrowed to 16.96 billion rupees for the year ended March this year from 28.42 billion rupees a year earlier.
- The group's revenue fell 14.6% to 28.02 billion rupees in its latest fiscal year.

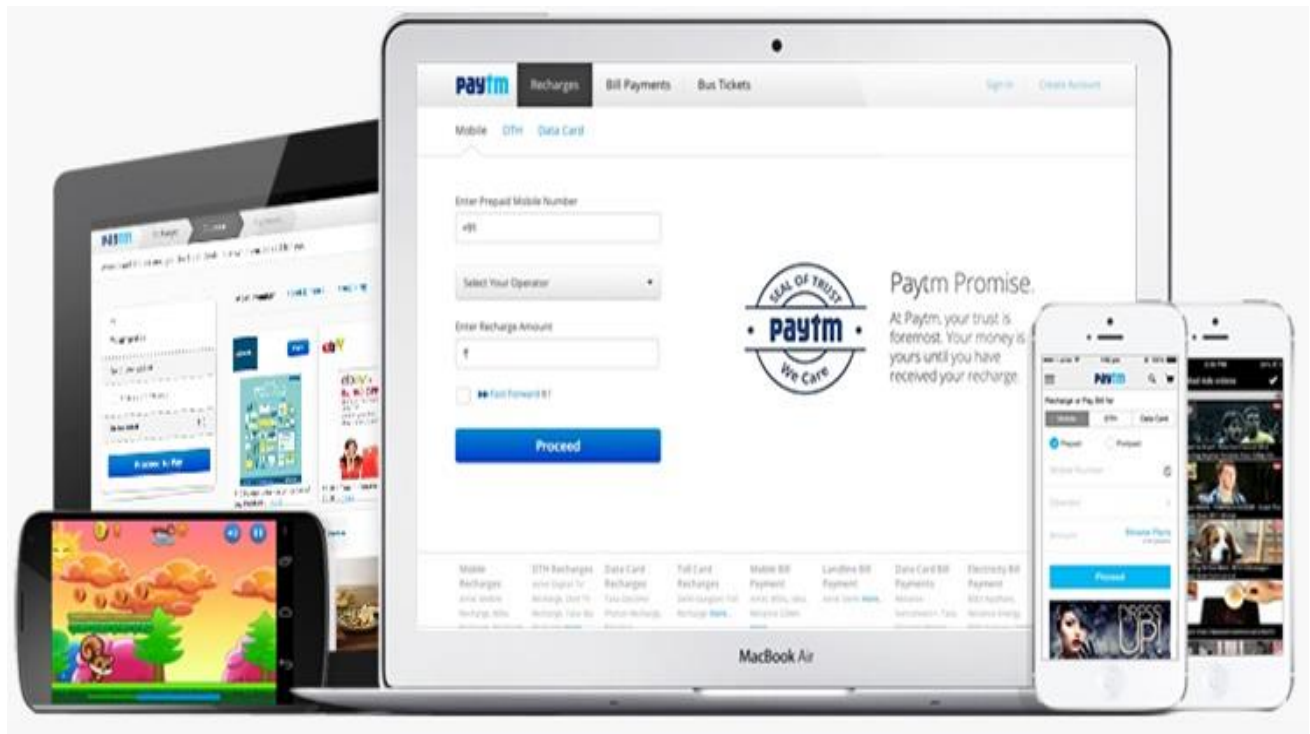
CHALLENGES

- **Bypassing international competition:** The Indian market represents opportunities as vast as the country's population. It is therefore of great interest to foreign players such as Google, which is multiplying its financial services initiatives in the country, Facebook, which is trying to impose itself through the diversification of its messaging service WhatsApp, and Amazon, which is trying to impose its Wallet.
- **Imposing its super App model:** With one of the largest IPOs in the history of its country, Paytm wants to confirm its dominance as a mobile payment operator, as well as an ecosystem of services and synergies that it has built around its "superapp". Indeed, Paytm offers both classic and innovative financial services such as payment instruments, wallet, bank account, BNPL, wealth management as well as more remote services such as e-commerce, ticket booking or value storage.
- **Expand its offering:** Paytm also plans to use the capital from its IPO to expand its payment services offering and launch innovative initiatives and explore acquisition opportunities.

MARKET PERSPECTIVE

- Paytm was launched in 2009. Today, it stands as a payment-based super-application.
- Pandemic has accelerated the Indian digital economy. Paytm's already clear dominance is finally allowing it to further elevate its ambitions and leverage international investments.

Source : [Press release](#)



Square acquires Afterpay, the Australian leader in BNPL

United States

Square announced today that it has acquired Australian buy now pay later giant Afterpay in an all-stock deal worth \$29 billion. The combination of the two companies would create a payments giant unlike any other and reinforces the trend of consolidation in the payments industry.

FACTS

- The transaction has an implied value of approximately \$29 billion based on the closing price of Square's common stock on July 30, 2021, and is expected to be paid in stock. That means Square is essentially paying a 39% premium.
- The deal demonstrates the huge interest in the BNPL market that exploded during the coronavirus pandemic.
- Afterpay, based in Melbourne, allows retailers to offer customers the ability to pay for products in four interest-free installments if payments are made on time.
- The transaction is expected to close in the first quarter of calendar 2022, subject to compliance with regulatory approval.

Key figures

- Afterpay currently serves over 16 million consumers and nearly 100,000 merchants worldwide
- Its Q3 results show a tripling of revenue in North American markets, outpacing Australia while helping to double the total value of transactions it processed to approximately AUD 5.2 billion compared to the previous year's figures.

CHALLENGES

- **Drive financial inclusion:** Square and Afterpay have a common goal. To make the financial system more fair, accessible and inclusive. Over the past 18 months, BNPL has exploded among users, especially attracting younger generations interested in not using credit cards or paying interest and instead opting for installment loans, which have become ubiquitous online and in stores.
- **Strengthen the ties between our Cash App and Seller ecosystems:** Square plans to integrate Afterpay into its existing Seller and Cash App business units, to enable even the smallest merchants to offer split payment at checkout. To give Afterpay consumers the ability to manage their split payments directly in Cash App and to give Cash App customers the ability to discover BNPL merchants and offers directly in the app.

MARKET PERSPECTIVE

- This would be the largest buyout deal in the history of an Australian company for a listed company and has pushed the market to new all-time highs.
- While Afterpay was launching its BNPL offering in Europe (France and Spain) under the Clearpay brand, French leader Floa Bank, which was born out of a partnership between Crédit Mutuel and the Casino Group, has just fell under BNP Paribas' lap.

Source : [Presse release](#)

afterpay 

 x
Square

Blockchain & Virtual Currencies

The launch of Novi is approaching

France

Facebook would finally be on the verge of officially launching its digital wallet called Novi on the market. An umpteenth announcement while the project has known these last months multiple rebounds.

FACTS

- Facebook has been working for several months on developing its own crypto-currency. Novi (ex-Calibra) interoperable digital wallet of Facebook, is at the heart of this project. It should allow users of the social network to store their Diem (ex-Libra), a stable crypto-currency initiated by the social network.
- The project is presented as a promise made to the members of the social network to facilitate their exchanges thanks to a secure (stable coin backed by the Dollar) and international payment solution.
- This promise could soon become a reality as David Marcus, head of Facebook's financial services division, announced that Novi and Diem have received approval from the U.S. regulator to launch in several states.
- Other local and international negotiations are still underway, meanwhile, to ensure the service's expansion.
- Facebook's wallet will be accessible via its dedicated app or the group's messaging services such as Messenger or WhatsApp.

CHALLENGES

- **Developing a broad financial support:** Eventually, Facebook plans to make Novi a complete wallet allowing access to multiple bill payment services, from in-store payment via QR code scanning to the storage of transport tickets for example.
- **Winning a battle:** The war that the web giants are currently waging is particularly focused on financial services. The objective is to integrate these services into their ecosystems in order to strengthen their global position in the e-commerce sector.
- **Lower costs:** Diem and Novi should represent alternatives to the Facebook Pay service currently widely deployed by the web giant. However, money transfers currently supported by Facebook Pay have a cost related to the participation of intermediaries in the chain that are banks and schemes such as Visa or MasterCard. But by creating its own crypto-currency and wallet, Facebook could do without these intermediaries.
- **Reassurance on the compliance register:** Particularly expected, but also very long in its implementation, Facebook's stablecoin has attracted the attention of American and international regulators. That's why Facebook wants to be reassuring about the compliance of its stablecoin, especially in the current period with the setbacks of Tether USDT.

MARKET PERSPECTIVE

- Facebook's promise to offer an instant international currency transfer service to its 2.8 billion members worldwide dates back nearly two years.
- One of the ways the company has invested in its goal is in recruiting, as the current head of Facebook's financial services division, David Marcus, is a former president of PayPal.

KEY FIGURES

- 2010: Creation of the subsidiary Facebook Payment Inc.
- 2019 : Launch of Facebook Pay
- 160 countries already allow the use of Facebook Pay
- Over \$100 billion in payment volume recorded in the last 4 quarters
- 55 currencies covered

Source : [Medium](#)



Cambodia sets up a payment infrastructure on Blockchain

Cambodia

The National Bank of Cambodia has announced the creation of a blockchain-based MNBC digital currency platform. The infrastructure, dubbed Bakong, is primarily aimed at facilitating mobile payments and money transfers, under a tokenized version of the dollar and riel, the local currency. Bakong also ensures interoperability between the country's various payment players.

FACTS

- The launch of Bakong opens up a state-developed platform for Cambodians to make instant mobile payments, with QR codes and phone numbers linking digital wallets via a blockchain.
- The Bakong platform is hosted by the Hyperledger Iroha blockchain designed by Japanese company Soramitsu.
- Bakong is the only live central bank blockchain payment project outside of the Bahamas Sand Dollar, another MNBC.
- For the first half of 2021, Bakong has recorded a total of 1.4 million transactions, worth \$500 million.

CHALLENGES

- Cambodia sees Bakong as a crucial step in **modernizing its payment system**. From its inception, one of the main reasons for launching Bakong was to promote financial inclusion. As much as 78% of the population is unbanked.
- Bakong's other key objective is to **de-dollarize the Cambodian economy**: controlling the money supply would allow the central bank to lower interest rates and create money.

MARKET PERSPECTIVE

- Meanwhile, other countries have stepped up the pace of their CBDC research, with India and Nigeria hoping to test their MNBCs soon.
- Last month, the ECB announced the launch of a concrete study phase of its digital euro project. and the governor of the Central Bank of Ireland also wrote last month about the promise of a digital euro, saying it was a matter of "when" not "if."

Source : [La Tribune](#)



PayPal realizes its ambition to democratize cryptocurrencies

Europe

Online payment giant [PayPal](#) is continuing to diversify, today securing the expansion of its new dedicated cryptocurrency service to the UK. PayPal's UK customers will now be able to buy, hold and sell crypto-currencies from their e-wallets. This launch was already live in the US for several months.

FACTS

- UK PayPal users will soon be able to fund their wallets with crypto-currencies. A new web page has been put online to announce this imminent launch and to start explaining this new service to local PayPal customers.
- The web giant plays above all the card of the education and will propose notably contents to make discover crypto-currencies to the neophytes.
- Users of the service will also be able to follow the prices of each crypto-currency from the PayPal application.
- Four digital currencies will be accessible via PayPal, namely:
 - Bitcoin
 - Bitcoins Cash
 - Ethereum
 - Litecoin
- PayPal offers to buy crypto-currencies via its service starting at £1.
- The customer journey is simplified to the maximum; a new tab "crypto" allows access to two buttons (buy or sell) that allow, beyond the spaces dedicated to education, to initiate transactions from the application or the website of PayPal.
- Fees:
 - 0.50£ fee for transactions (buy or sell) worth between 1 and 24.99£
 - 2.30% fee for transactions (buy or sell) worth between £25 and £100
 - 2% fee for transactions (buying or selling) worth between £100.1 and £200
 - 1.80% fee for transactions (buying or selling) worth between £200.1 and £1000
 - 1.50% fee for transactions (buying or selling) worth £1000.1 and above
 - free storage of funds

ISSUES

- **Taking advantage of the pandemic:** Jose Fernandez da Ponte, Vice President and General Manager Blockchain, Crypto and Digital Currencies at PayPal, had highlighted the role of Covid-19 in the digitization of services and money. For a historical player in the digitization of money, a positioning on the crypto-asset market thus represents a natural evolution.
- **Banking on education:** PayPal is committed to disseminating a lot of educational content to help users of its service learn more about the virtual currency ecosystem, the volatility of this market, its risks and the opportunities related to the purchase of crypto-currency.
- **Slow rollout:** The opening of the purchase/sale of crypto-currencies in the United Kingdom represents a first step for PayPal in terms of spreading its service internationally. Since the announcement of the opening of this new activity by the group in the United States in October 2020, PayPal had not offered its new service in any other country.

MARKET PERSPECTIVE

- PayPal is held back in its ambition to participate in the democratization of crypto-currencies by the regulatory bodies of the various countries where the giant wishes to operate. But its ambitions on this buoyant market remain high and PayPal uses the US territory in particular to illustrate its scope (via Venmo for example).
- In addition to the crypto-currency market, PayPal is more globally looking to build a super-app combining multiple services around payment, ranging from instant messaging, through savings, check cashing, split payment or managing returns related to remote sales for example.

[Video](#)

Source : [Presse release](#)

