



Financial Services

August 2019

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Asset Management



Placing your digital bets

The Digital innovation and ROI survey will examine the digital initiatives taken by asset management companies from around the world. What were the factors adopted by those who are delivering improved profit? What defines winning digital models and strategies for asset managers to increase ROI on digital investments?

Many organizations have invested heavily into 'going digital' and this report will explore these questions and more. A [teaser paper](#) was launched at FundForum International and the more fulsome report will be launched September 2019.

Evolving Asset Management Regulation 2019 – A sea of voices

The asset and fund management industry has grown significantly in the last decade and its importance to the world financial system is increasingly recognized. The industry and regulators are coming under pressure from a range of “external” voices – demanding investors and consumer groups, clamoring political and economic needs, changing priorities and hopes of civil society, an increasingly noisy press, the explosion in social media and the rapid growth of new technologies.

This sea of voices is directly influencing the regulatory agenda and increasing expectations on the industry. A fundamental rethink of firms' mind-set and investment offerings is required.

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Banking and Capital Markets



Global Banking Fraud Survey

We are delighted to share our inaugural [Global Banking Fraud Survey](#), conducted to obtain a global perspective of how banks are tackling internal and external fraud threats.

The survey looks at trends in fraud typologies, challenges banks are facing in mitigating threats, security in a digital age and how banks are structuring their teams and deploying resources to optimize their fraud risk management efforts.

Survey results have identified that fraud costs are increasing at a faster rate than fraud risk management spend, and that a radical rethink is urgently required.

We're seeing fraudsters becoming more sophisticated, quickly changing and adapting their approaches. Banks need to be agile to respond to new threats and embrace new technologies to predict and prevent fraud.

Online content series - Automating the prediction

Leading banks and fintechs have been experimenting with automation tied to predictive analytics to help their employees become more strategic, and to offer their customers a better experience. Such trends suggests that **interactions and processes will increasingly be based on what the customer is likely to want in the future.**

While banks will need a very different approach in their operating models and tech investments, our experience shows that there are [4 key areas banks should focus on to move towards more predictive models](#) for new opportunities and growth.

Predictive augmented decision-making is certainly cropping up, and the current measured introduction of bots and automation is just the first step to smarter, more predictive banking models and solutions. **Banks should start moving now to get ahead of customers' expectations.**

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Insurance



The South African Industry Insurance Survey 2019



Industry pressures and technological advancements in both the global and local insurance industry have resulted in many insurers finding themselves in uncharted territory. Stakeholders need to be equipped with the relevant tools to effectively navigate through unfamiliar challenges.

The highly anticipated [2019 KPMG Insurance Industry Survey](#) was successfully launched on Friday morning. [Click here](#) if you would like to download the survey, which includes a

wide range of articles on topical business, regulatory and accounting matters that may make things clearer.

Bringing Bancassurance into the digital era

With consumers' financial needs growing more complex – the bancassurance model remains relevant to support customers holistic needs. However, the potential for banks and insurers to combine forces, expand their reach and cross-sell their services is sometimes stunted by siloed operations and cumbersome sales and compliance processes.

Now, with financial service customers embracing digital channels, [banks and insurers must refine their partnerships](#) to ensure they can jointly respond to consumer demands, and pool their customer, product and technology expertise, to transform the way they serve their shared client base.

IFRS 17 Amendments - Our detailed analysis and insights

The proposed amendments to IFRS®17 Insurance Contracts have been published. The key proposals are a one-year deferral of the effective date of IFRS 17 to 2022 and changes to the standard's requirements in seven important areas.

Even with the extra year, many insurers will need to step up the pace of their implementation efforts to reach the finish line in good shape. You will need to develop a clear picture of how the proposals will impact your specific business and IFRS 17 action plans.

Read our [web article](#) to find out more. You can also access our video content and a high-level visual guide on our new [Amendments to IFRS 17](#) web page.

The International Accounting Standards Board is accepting comments on the proposals until 25 September 2019.

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Real Estate



Venture Pulse Q2 2019

KPMG Enterprise's Global Network for Innovative Startups launched the Q2'19 edition of the Venture Pulse Report. The report analyses the latest global trends in venture capital investment data and provides insights from both a global and regional perspective. This edition of the quarterly series provides in-depth analysis on venture capital investments across North America, EMA and ASPAC and will cover a range of issues such as financing and deal sizes, unicorns, industry

highlights and corporate investment.

You can [view the report here](#).

IAS 12 proposals – Recognising deferred tax on leases

Now that IFRS®16 Leases is effective, the International Accounting Standards Board is seeking to reduce the current diversity in practice in the accounting for deferred tax on leases.

Its narrow-scope amendments to IAS 12 Income Taxes propose that the initial recognition exemption would not apply when a company recognises equal amounts of deferred tax assets and liabilities. The proposals could result in an increase in assets and liabilities and a change in the effective tax rate for companies that apply the initial recognition exemption to lease assets and lease liabilities separately.

[Read our web article](#) to find out more about the proposals, which are open for comment until 14 November 2019.

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Other



Pulse of Fintech H1 2019

According to KPMG's [Pulse of Fintech H1 2019](#) report, global fintech investment is off to a slower start in the first half of 2019 with \$37.9 billion across 962 deals. Large M&A and buyouts accounted for the biggest deals to date in 2019, seen from a diversity of jurisdictions – Argentina, Canada, China, France, Germany and the US. VC investment also remained strong in the Americas and Europe.

Read the full [Pulse of Fintech H1 2019](#) report or view the global and regional analyses: [Global](#), the [Americas](#), [US](#), [Europe](#) and [Asia Pacific](#). This edition also includes a special feature on [wealthtech](#) and [proptech](#).

The downward trend in H1'19 reflects a pull-back in mega-deals seen in 2018, but the global fintech market is expected to pick up momentum in the second half of 2019, particularly given the large M&A deals that could close in the US. **Payments** is expected to continue as the hottest area of investment, while **regtech**, **insurtech**, **cybersecurity**, **wealthtech**, **proptech** and B2B platform services are all well positioned for growth. **Consolidation** in payments and other mature areas of fintech will also likely speed up as winners continue to solidify their market share.



KPMG Matchi RegTech Portal

Regulation continues to drive the strategic agenda. Complex regulatory changes are forcing businesses to change the way they operate. RegTech (Regulatory Technology) is one of the fastest areas of growth in global technology, working to improve the way compliance is managed. Hundreds of RegTech firms have been launched (and funded) around the world, and corporations and regulators need to engage with them, and the innovations they can bring, in the most productive ways.

The new KPMG Matchi RegTech Portal enables clients and regulators to view the latest RegTech solutions as well as global news & thought leadership in this fast changing space. This subscriber-only portal features content that has been researched and curated by KPMG regulatory and Fintech/Regtech specialists, and also offer the potential to direct questions to KPMG regulatory specialists.

As added value services our portal also enables the client to leverage our network of KPMG specialists, sign up for regular updates, keep on top of global news and have comprehensive, quality thought leadership on relevant topics at your fingertips.

Attached is a link to a brief [video](#) and a [one page PDF overview](#) of the RegTech Portal for more information. We would be delighted to speak with you on a call, and provide a short demonstration of the tool and how we believe it may add value to your organisation.

We look forward to showcasing this great new capability. If you interested in having a closer look at the portal or even attending a demo, please contact [Michelle](#).

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