

KHCB announces readiness for open banking services

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Khaleeji Commercial Bank (KHCB) yesterday announced its readiness for open banking services, making it the first bank in Bahrain and the MENA to be fully compliant with the CBB's directives.

Through these services, KHCB will be able to accept requests to share account information and process payment procedures with other banks and institutions in the frame of open banking service laws and regulatory requirements.

KHCB's open banking infrastructure has been provided by Token.io, an Open Banking platform provider represented by Tarabut Gateway, a subsidiary of Almoayed Technologies and licensed by the Central Bank of Bahrain (CBB).

KHCB CEO Sattam Sulaiman Algoasibi said: "This step is an integral part of our approach towards digital transformation, accelerating progress



KHCBC CEO Sattam Sulaiman Algoasibi

in this field and paving the way towards an advanced banking experience for our clients."

Abdulla Almoayed, CEO of Almoayed Technologies stated: "This partnership with KHCB demonstrates how quickly banks can adapt to regulatory demands when offering proven open banking technologies."

VISA, FinTech Bay join hands

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Visa said it has partnered with Bahrain FinTech Bay to further support the development of the FinTech ecosystem in Bahrain.

The partnership will focus on the development of joint innovation and educational initiatives alongside a payment focused event to discuss the latest trends in payments, e-commerce, security and risk.

The deal will also contribute to the regional and global initiatives in which Bahrain Fintech Bay is an active participant and across the Fintech Consortium's platform including Silicon Valley and Singapore.

Khalid Saad, CEO of Bahrain FinTech Bay said the partnership with Visa will further de-

velop the FinTech ecosystem here and in the region through Bahrain FinTech Bay's deepening connections to global centres.

Dylan Kaloo, Visa's Country Manager for Bahrain, said, "We look forward to working with startups and innovators to foster and potentially bring new payment experiences in a secure and scalable manner."

Bahrain FinTech Bay was established a year ago and has around 100 partners including financial institutions, technology companies, FinTechs, public institutions, educational institutions and others to drive innovation and the entrepreneurial ecosystem.

Bahrain Fintech Bay is part of the Fintech Consortium's global hub network.

Brazil economic woes hit stocks, currency

● The bleak outlook was underscored by economy minister Paulo Guedes, who warned this week that Brazil was "at the bottom of the well"

Rio de Janeiro, Brazil

Atrophy growth forecasts and waning confidence in President Jair Bolsonaro sent Brazil's stocks and currency to their lowest level of the year this week, as analysts warned of further falls.

Since touching a record 100,000 points in mid-March, the Bovespa has fallen 10 percent and wiped out gains made since far-right Bolsonaro took power on January 1 on a promise to revive Latin America's biggest economy.

The benchmark index closed just below 90,000 on Friday, while Brazil's currency traded at its lowest level against the dollar in eight months, breaking through four reals.

The sharp declines have been fanned by uncertainty over US-China trade talks that has pummelled stocks and currencies in emerging markets, which are perceived as riskier bets.

But the "external headwinds" have been compounded by concerns over Brazil's feeble economy, which has struggled to grow since emerging from the devastating 2015-2016 recession, said William Jackson of London-based Capital Economics.

"There was a lot of hope when Bolsonaro came to power that the economy would turnaround, but we have seen no evidence of this," Jackson said.



Brazilian President Jair Bolsonaro delivers a speech during the World Economic Forum (WEF) annual meeting, in Davos, eastern Switzerland.

This week's massive nationwide protests over education spending freezes, money laundering accusations against Bolsonaro's eldest son and the slow pace of economic reforms were adding to the general malaise.

"The economy is really flirting with recession," Jackson added.

The bleak outlook was underscored by economy minister Paulo Guedes, who warned this week that Brazil was "at the bottom of the well" as he slashed the government's forecast for 2019 economic growth to 1.5pc from 2.2pc.

That was followed by central bank chief Roberto Campos Neto, who flagged a likely contraction in the economy in the first quarter following a slow-down at the end of 2018.

Market analysts have pared their full-year growth forecasts 11 weeks in a row and now expect the economy to expand by an anemic 1.45 percent, according to the latest central bank survey.

Some even saw that estimate as optimistic.

Marcos Casarin of Oxford Economics warned Brazil appeared headed for around one percent growth for the third year in a row.

"Brazil has never had such a slow recovery," said Casarin, attributing lackluster activity to post-recession deleveraging by the Brazilian government, businesses and consumers, which has sapped spending, borrowing and investment in the country.

"Everyone had to pay back debt at the same time."

But the risk of a technical recession -- two straight quarters of contraction -- was low.

"We are already at the bottom," Casarin noted.

"We could potentially see a double dip, but that would have to be triggered by a domestic crisis" -- such as failure to pass the pension reform bill.

Uphill battle

Bolsonaro has done little to help boost optimism among investors or voters.

The pro-market reform agenda that helped get the former army captain elected in October has stalled as he struggles to push his signature policy -- an ambitious overhaul of the pension system that he says will bankrupt Brazil if not passed -- through Congress.

There are fears the proposal could be significantly watered down by the time it is approved, probably later this year, eroding any positive impact on the economy.

"There was excessive optimism going on (with Bolsonaro's victory) and now they are just more realistic," said Casarin.

"It is pretty clear that he is struggling as president to make Congress do what he wants."

One of the challenges for Bolsonaro is that his ultraconservative Social Liberal Party only holds around 10 percent of the 513 seats in the lower house of Congress.

That means he is relying on ad-hoc alliances with lawmakers in various parties who are part of his evangelical, pro-agribusiness, pro-gun base.

It does not bode well for his reforms, the economy or the markets.

Japan tests next-generation Shinkansen bullet train



JR East unveils to the media its new test bullet train "ALFA-X" in Rifu, Miyagi prefecture

Tokyo, Japan

A prototype of Japan's next-generation Shinkansen bullet train, set to be the fastest train on wheels when it enters service, reached speeds of 320 kilometres (198 miles) per hour on a test run Thursday.

The train, code-named ALFA-X, will eventually hit 360 kilometres per hour when it begins to take passengers in about a decade, according to East Japan Railway.

Production of the 10-car train with a long nose-shaped head finished in early May at a cost of 10 billion yen (\$91 million).

Thursday's trial run between Sendai and Morioka, two cities in northern Japan, was the first open to the media since tests started last week.

"We successfully conducted the test run today and will continue testing the train for about three years," a company spokesman said.

The firm plans to introduce the train in 2030-31 when Shinkansen services will be extended to Sapporo, the biggest city on the nation's northern island of Hokkaido.

"We will try to shorten travelling time with the next-generation Shinkansen," said Kazunori Koyama, an official in charge of the testing.

US Treasury defies Congress subpoena for Trump tax records

● Democratic Representative Richard Neal issued the subpoena on May 10, saying the confidential documents were necessary in carrying out oversight of taxation

Washington, United States

US Treasury Secretary Steven Mnuchin rejected Friday a congressional subpoena for President Donald Trump's tax records, setting up a new court battle between the two sides of government.

Mnuchin told Democratic Representative Richard Neal, the chairman of the House Ways and Means Committee, that the committee "lacks a legitimate legislative purpose" to demand Trump's tax returns.

Neal issued the subpoena on May 10, saying the confidential



US Secretary of the Treasury Steven Mnuchin (L) speaks with White House Chief Economic Adviser Larry Kudlow

documents were necessary in carrying out oversight of taxation, including understanding how a sitting president with extensive business interests is treated by the Internal Revenue

Service.

Neal expected the rejection and told reporters earlier Friday he would take the issue to court as early as next week rather than seek a contempt citation

against Mnuchin, according to Roll Call, a news outlet that covers US government.

The court will have to rule whether the committee, as Neal asserts, has the right to demand the tax records of any American from the IRS as part of its oversight powers.

Trump has bucked the tradition of presidential candidates baring their finances and divulging how much they have paid in taxes.

Since before the 2016 election he has claimed that his personal and corporate annual income statements have been under audit by the IRS and cannot be released.

Democratic opponents suspect the real estate billionaire of using accounting and other loopholes to avoid taxes.

The New York Times reported earlier this month that based on an analysis of IRS records, Trump reported losses of nearly \$1.2 billion between 1985 and 1994, and may have been able to carry over those losses for years after to minimize his tax bills.