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B2B PAYMENTS

MobileXpense Lands $24 Million For Mid-Market Expense Management

By PYMNTS

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Brussels-based expense management startup **MobileXpense** has secured new funding to expand operations, according to reports.

HR Technologist said Friday (Jan. 5) that the firm secured $24 million in venture capital from Fortino Capital via its just-launched Digital Growth Fund. MobileXpense said it would use the backing to expand operations and target mid-market and large enterprise clients.

MobileXpense offers spend and expense management solutions that can integrate with commercial card platforms, corporate travel tools, ERP systems and other solutions deployed in the enterprise.

"Fortino Capital will guide us in our next steps to strengthen our commercial organization and accelerate our product development," said Co-Founder Xavier Deleval, who started the company in 2000 with Patrick Billiet. Current clients of the firm include UCB and Porsche, reports said. Its key industry target is the travel industry.

According to Fortino partner Matthias Vandepitte, MobileXpense "helps companies in a fully automated way, allowing them to gain efficiency and reduce expense spending through digitization. We look forward to growing this company to the next level."

Last week, another expense management company announced its own funding.

Chrome River said it raised **$35 million** led by Argentum Group, Bain Capital, First Analysis and Great Hill Partners. The investment will go toward international expansion, investment in customer support, and potential M&A (mergers and acquisitions) deals, reports said.

Use of automated expense management technologies is on the rise among corporations. Research released last year by another industry player, Certify, **found** a 4 percent reduction in the number of companies using a manual expense management system between 2016 and 2017. Still, the market is ripe for disruption, as nearly half (46 percent) of companies still rely on manual solutions, Certify said.

As more solutions emerge on the market, analysts said their ability to integrate with other platforms in the enterprise will be critical.

"Covering every aspect of the process from receipt capture and report creation to workflow automation and expense reconciliation, the key to gaining efficiencies in T&E … management is all about integration," the report stated. "Connecting company systems and data to a central expense reporting platform reduces data entry requirements for employees, and it improves accuracy and access to analytics for accountants and system administrators."

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REGULATION ROUNDUP

Peering Into The Beginnings Of 2018's Regulatory Environs

By PYMNTS

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Across the regulatory landscape, it is not just where you've been, where the rules are in place, but where the rules are headed.

As one year is in the rearview mirror and 2018 dawns, of course, major changes are afoot – and perhaps that is the one constant that threads through each year.

Open Banking, Out of the Gate

There's the **Open Banking initiative**, of course, which will debut in the U.K. beginning Jan. 13. Therein, the largest of the U.K.'s financial institutions will make their customers' account data available to some of their ostensibly nimbler (in terms of technology) competitors. In this new arena, the Competition and Markets Authority (CMA) is leveling the playing field between challenger banks and FinTechs and the stalwarts of the financial industry, letting consumers choose to let third parties access their account information.

And across the pond, namely here in the States, Congress is looking to **view FinTech** through a more focused lens, with some action urged by at least some members of government. As noted in this space, Rep. Emanuel Cleaver, Missouri Democrat, has said that “we are behind the curve” in helping to shape policy in regard to FinTech and online banking. That means more hearings before the Financial Services Committee.

FinTech Regulation, Internationally

In India, there may also be more scrutiny, with oversight coming via the central bank. The Reserve Bank of India, reported **Quartz**, said in its **Trend and Progress of Banking in India Report** that “bringing FinTech under the regulatory ambit should provide a level playing field and encourage financial innovations. In this context, the Reserve Bank (of India, RBI) is working on framing an appropriate response to the regulatory challenges posed by developments in FinTech in India.”

Under this wide umbrella, we’d see examination of micro-financials and liquidity, among other issues.

In Taiwan, regulators passed the Act on Financial Technology Innovations and Experiments, offering up a sandbox that takes its genesis, as noted by the **Taipei Times**, from the United Kingdom. Under the terms of the newly passed act, Taiwanese firms that gain a nod from the Financial Supervisory Commission can skirt some regulations – though decidedly not the Money Laundering Control Act or legislation tied to hacking.

Once within the sandbox, FinTech firms would be given 18 months to launch their services via initial trials, although that period can be extended to be as long as 36 months.

In the U.S., Eyeing the Cannabis Landscape

Separately, in the world of pot – or **cannabis**, to be specific – Attorney General Jeff Sessions has effectively unraveled several Obama-era laws that would have provided for a relatively relaxed environment for cannabis across several states. The memo sent by the AG sought to reverse Obama administration initiatives that urged against federal prosecutions in states where pot has been ruled legal for both recreational and medical use.

Said Sessions in a statement, “it is the mission of the Department of Justice to enforce the laws of the United States, and the previous issuance of guidance undermines the rule of law and the ability of our local, state, tribal and federal law enforcement partners to carry out this mission.”

The memo went on to state that “therefore, today’s memo on federal marijuana enforcement simply directs all U.S. attorneys to use previously established prosecutorial principles that provide them all the necessary tools to disrupt criminal organizations, tackle the growing drug crisis and thwart violent crime across our country.”

CFPB/PHH Drama Set for New Year?

In other news related at least tangentially to Sessions (actually to the Justice Department), the continuing controversy over the PHH/Consumer Financial Protection Bureau spat … continues.

Last week, the ranking Democrat on the Senate Banking Committee asked the Trump administration to back the CFPB’s ruling against the mortgage lender, where the firm had been ordered to pay as much as $31 million in a case related to unauthorized execution of foreclosure documents.

The PHH, of course, has sued in turn, alleging that the CFPB is in fact unconstitutional. That case is now being considered in a U.S. Court of Appeals for the D.C. Circuit.

“This settlement by a bipartisan group of 49 state attorneys general is a reminder that many Americans still haven’t recovered from the abuses caused by the financial crisis,” Senator Sherrod Brown, Democrat of Ohio, said last week. “I hope the administration takes their side by vigorously pursuing the CFPB’s enforcement action against PHH and nominating a CFPB director with bipartisan support that will aggressively enforce consumer laws and stand tough against special interests and big banks.”

Cryptos: Here, There and Everywhere

And finally, what would a piece on regulation be without some discussion of cryptocurrency, viewed on a global scale? There are **reports** that the Bank of England is looking at “exploring the possibility of developing and issuing” digital currency on its own.

That might happen as soon as this year, and a research unit is in place to explore feasibility. Under the broad strokes of that initiative, individuals would be able to keep money through cryptocurrencies, which would be stored with the central bank.

Here in the United States, two **meetings** loom this month, wherein the Commodity Futures Trading Commission's technology and risk advisory committees will review "self-certification" processes in place that are tied to digital currency futures. As noted in this space, the meetings come on the heels of cautions that have come against cryptos as the **SEC**, among others, has said that investing in bitcoin and alternatives will carry some element of risk, especially when traded on exchanges.

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