

1 DAY WORKSHOP ON PEER TO PEER LENDING

Organised by: - Vinod Kothari Consultants P. Ltd.

Place: TBA

Date: TBA

Why to attend this workshop?

The concept of peer-to-peer lending (P2P) is receiving overwhelming response and the world is going gaga over the ease with which loans are being forwarded *via* these platforms. The pace at which these platforms are growing is worth mentioning and it is estimated that the by 2025 the value of loans disbursed globally will reach \$1,000 billion mark. It seems that intermediation is to change remarkably in future. All these years the concept has gained traction but in times to come it is highly likely that this way of intermediation may become the first choice of consumers.

Peer to peer lending has attracted huge traction world over which is apparent from the fact that peer to peer platform, like, Lending Club (the largest world-wide), has been able to disburse a significant volume of loan worth in billions. This has been done without having any physical presence unlike banks.

The objective of this workshop is to impart participants a thorough concept of Peer to Peer lending, which involves understanding the basic structure, global market scenario and legal issues in different countries. In this workshop, the coverage is comprehensive to the core and you will emerge with complete inputs on the legal scenario for financial intermediaries with regard to the reforms.

For Whom:

- Financial companies
- Banks
- Professionals
- Retail investors
- MSMEs



Course outline

Workshop agenda

Session 1: Basic understanding of Peer to Peer lending:

- ❖ Basic flow of finance in financial markets, and key functions of financial intermediaries
 - Intermediation
 - Information utility
 - Risk aggregation and distribution
 - Knowledge and expertise
- ❖ Basic concept of P2P lending
 - Disintermediation of financial markets, and connecting the lenders and borrowers by use of technology
 - Enabling disintegration of the functions of intermediaries, using technology
- ❖ Virtual intermediation v/s brick and mortar intermediation
 - Impact of virtual disintermediation on the cost of lending – lendable resources in case of banks, and disintermediated lending, in form of capital requirements, liquidity requirements, etc.
 - Comparison on overhead, cost and profit
- ❖ The advent of P2P lending and global market review
- ❖ Some success stories
 - Lending Club (USA)
 - Prosper Marketplace (USA)
 - Faircent (India)

Session 2: Understanding the structure of P2P models

- ❖ Types of models
 - Client segregated model
 - Notary model

- ❖ Functions of P2P platforms
 - Loan issuance
 - Loan Servicing
 - Credit Decisioning and Scoring

- ❖ Process of granting loan
 - Borrower getting listed
 - Credit assessment via proprietary software
 - Interest determination
 - Lenders approval

- ❖ Tenure and purpose of loans

Session 3: Legal implications

- ❖ Specific regulations on Peer to Peer lending in different countries
 - Securities Exchange Act, 1934 and Jobs Act 2012 in USA
 - Financial Conduct Authority Regulations in UK
 - National Credits Act in Australia

- ❖ Other regulations
 - Banking regulations and P2P lending
 - Designing a law on P2P lending
 - Anti-money laundering considerations

Session 4: Refinancing of Peer to Peer lending platforms

- ❖ Need for refinancing
- ❖ Sources of refinancing
 - Traditional and Non-traditional sources
 - Capital market sources

- ❖ Refinancing options with the P2P platforms
 - Securitization
 - Other refinancing modes

Faculty



Mr. Vinod Kothari

Qualification: Company Secretary, Chartered Accountant

About Mr. Vinod Kothari

He is internationally recognized as an author, trainer and consultant on corporate laws and specialised subjects of finance like leasing, housing finance, securitisation, credit derivatives, accounting for financial instruments, etc. As such, he lectures all over the world. The locations where he has lectured on these subjects include New York, Washington, London, Milan, Frankfurt, Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Jordan, Dubai, Kuwait, Egypt, Sri Lanka, Bangladesh, etc. Mr. Kothari with his efficient team has handled very diverse groups – from rating agency professionals in Malaysia, to group of investors in Sydney, to tax officers in South Africa, to group of lawyers in India, to executives of the World's largest securitisation agency in Washington, to a group of quants in New York. He is acclaimed for his deep understanding of the various facets of corporate laws and his expertise in areas of FEMA, leasing, NBFCs. He is renowned for offering services to a number of listed companies which not only include advisory or consultancy related services or conduct of due diligences, but also litigation related services.

Mr. Kothari has served as the Chairman of the Institute of Company Secretaries of India Eastern India Regional Council, Calcutta. In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation. He is also one of the editors of the Ramaiya's Company Law, a tome on company law and an unquestionable source of authority on the subject.

He also has a vast experience in working with the various regulators like SEBI, NHB and Government of India and multilateral organisations like IFC and ADB.

Consulting Assignments:

- He is the forerunner of Vinod Kothari & Company, practicing company secretaries, which is a renowned named in the field of corporate laws. Details can be viewed at: <http://vinodkothari.com/vkandco/>
- He carried out a study on covered bonds in India for the Asian Development Bank.
- He was an integral part in developing a toolkit for the IFC titled “India Toolkit for Low Income Housing Finance – A Practitioner’s Guide prepared in collaboration with Habitat for Humanity.
- He was sub-consultant to “Affordable Housing Finance Project” of IFC, awarded to IMaCS. He was retained by the National Housing Bank for assisting them in promoting Covered Bonds in India.
- Director of Indian Securitisation Foundation, a representative body of the securitisation industry in India promoting capital market instruments in India.
- He was a part of Working Committee formulated by National Housing Bank for promoting capital market instruments such as RMBS and Covered Bonds for the housing sector in India.
- He was been retained by Govt. of Jordan for suggesting and working on funding for a high-profile low-cost housing project.
- He was been retained by the Asian Development Bank, Manila for two important projects: to advise the Govt. of India on reforming secured lending law in India; and to develop securitisation-related legal framework in the Asian region.
- Is the Director of Indian Securitisation Foundation, an industry forum for securitization in India
- Claims extensive consulting experience in securitisation – offering comprehensive securitisation-related consulting services to a variety of clients including originators, investors, IT companies, etc, apart from one-off services to several companies in different countries.

Author of Books:

- Corporate Boards, Committees and Policies under the Companies Act
- Understanding Companies Act 2013, 2014 Edition
- Guide to Independent Directors, 2014 Edition
- Led a team of 17 specialist editors for the latest edition of Guide to the Companies Act, A. Ramaiya, 18th Edition.

- Prepared the key highlights and reference tables for “Corporate Laws” second edition and “The Companies Act, 2013” published by Lexis Nexis Guide to Housing Finance – A comprehensive guide to mortgage lending, 2013 Edition
- Guide to Structured Finance, 2014 Edition
- Securitisation, Asset Reconstruction and Enforcement of Security Interests, Fourth Edition, 2013
- Taxation of Lease Transactions in India, co-authored by Sikha Bansal, 2013
- Lease Financing and Hire Purchase, Fourth Edition, 1996.
- Securitisation: The Financial Instrument of the Future, Fifth edition 2006.
- Credit Derivatives and Structured Credit Trading, 2009 Edition
- Introduction to Securitization (co-authored with Frank J. Fabozzi)
- Author of 3 Chapters in Handbook of Finance, (editor Frank Fabozzi), published by Wiley, USA.

Lecturing:

- He is a visiting faculty at Indian Institute of Management, Joka, Calcutta for several years, teaching a full-fledged course for the final year students on Structured Finance and Taxation. Over 125 students sign up of the course every year.
- He is a guest faculty at the National University of Juridical Sciences- the subject taught here are insolvency and credit interest enforcement laws in India and other countries. The course included a comparative study of the insolvency and creditors' rights in USA, UK and Australia.

Articles:

- Vinod Kothari's articles on asset-based finance, securitisation etc. have appeared in several national and international journals including Duke Journal of Comparative International Law (USA), US Banker (USA), Export trader (Spain), Trade and Forfaiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), Monitor daily (USA),Analyst (India), etc.
- Vinod Kothari also contributed to Euro money’s yearbooks on leasing and securitisation.

Other Details

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