

# KARANDAAZ FINTECH DISRUPT CHALLENGE 2018

#FDC2018



BILL & MELINDA  
GATES foundation



## TERM SHEET FDC 2018

<p>1. <b>Objectives</b></p>	<p>KarandaaZ Pakistan, in partnership with National Incubation Centre - LUMS and Infinitum Solutions – FinTech Factory announces the FinTech Disrupt Challenge 2018. The purpose of this challenge is to invite the most innovative start-ups from all over Pakistan working in the financial technology space and offer them a FinTech Acceleration Program at the partner accelerators before they pitch for a grant of up to \$100,000. Ideas that focus on greater access to financial services, uptake of Mobile Accounts and Financial Services Products especially designed for women will be encouraged.</p> <p>The objectives of FDC 2018 are as follows:</p> <ul style="list-style-type: none"> <li>• Support innovation in the FinTech space to enable greater financial inclusion</li> <li>• Build a pipeline of refined financial services ideas to be converted into successful FinTechs</li> <li>• Have the star-ups accelerated on a predefined program to create a Minimum Viable Product (MPV)</li> <li>• Provide success stories and examples of new payment mechanisms and use-cases</li> </ul>
<p>2. <b>Geography</b></p>	<p>Start-ups based in Pakistan</p>
<p>3. <b>The Program</b></p>	<ul style="list-style-type: none"> <li>• In FDC 2018, KarandaaZ Pakistan has partnered with two FinTech Accelerator that will run a targeted acceleration program with the shortlisted start-ups. The main components of the acceleration program are given below:</li> </ul> <div style="display: flex; justify-content: space-around; text-align: center;"> <div style="border: 1px solid gray; padding: 5px;">Ideaation</div> <div style="border: 1px solid gray; padding: 5px;">Customer Discovery</div> <div style="border: 1px solid gray; padding: 5px;">Customer Connections</div> <div style="border: 1px solid gray; padding: 5px;">Financial Modelling</div> <div style="border: 1px solid gray; padding: 5px;">Building Your MVP</div> <div style="border: 1px solid gray; padding: 5px;">Validation &amp; Experimentation</div> <div style="border: 1px solid gray; padding: 5px;">Promotion</div> <div style="border: 1px solid gray; padding: 5px;">Operations &amp; Promotion</div> </div> <ul style="list-style-type: none"> <li>• The graduating start-ups from the acceleration program will present their working products in front of a panel of judges on the challenge day planned in Nov/Dec 2018</li> <li>• A more mature category of start-ups can directly apply to appear in the pitch presentations competition on the challenge day (Nov/Dec 2018). Please check eligibility requirements (Section 10) for a direct entry into challenge day</li> <li>• Up to 3 winners on the challenge day will be given returnable grants (Please See Section 6 for details on returnable grants) of up to \$100,000</li> </ul>
<p>4. <b>Thematic Areas</b></p>	<p>The focus of the Challenge is to support start-ups working in the FinTech space in developing innovative financial solutions using technology to promote greater financial inclusion in Pakistan. Broad focus areas include:</p> <div style="display: flex; justify-content: space-around; text-align: center; margin-top: 20px;"> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Payments</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Interoperability</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Consumer/ Retail Banking</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Regtech</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Insurtech</div> </div> <div style="display: flex; justify-content: space-around; text-align: center; margin-top: 10px;"> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Mobile Wallets</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Loyalty Programs</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Lending</div> <div style="border: 1px solid blue; padding: 10px; margin: 5px;">Savings</div> </div> <p style="font-size: small; margin-top: 20px;">*For detailed description and list of ideas please visit <a href="http://fdc.karandaaZ.com.pk">fdc.karandaaZ.com.pk</a></p>

5.	<b>Application Guidelines</b>	<ul style="list-style-type: none"> <li>• Application can be accessed at <a href="http://fdc.karandaaz.com.pk">fdc.karandaaz.com.pk</a></li> <li>• Applicants are requested to fill in complete information related to their businesses</li> <li>• Applicants can opt-in for an acceleration program or apply now as a direct entry into the Challenge Day Event in Nov/Dec 2018</li> <li>• Eligibility criteria for both the types of applicants is different and should refer to Section 10 of this document.</li> <li>• Please clearly define the thematic area / product idea for which you will be submitting your application</li> <li>• Please clearly mention your need for induction into the acceleration program or direct entry into the pitch presentation competition (Nov/Dec 2018). In case of direct entry please go to section 10 to understand the eligibility criteria</li> <li>• Incomplete / late applications will not be considered</li> <li>• Any queries related to applications can be emailed at <a href="mailto:fintech@karandaaz.com.pk">fintech@karandaaz.com.pk</a></li> <li>• Application cannot be edited/changed once submitted. Please do not send in remaining parts of your application through email. It will not be considered</li> <li>• The application process will be run by Karandaaz Pakistan</li> </ul>
6.	<b>Type of Support</b>	<ul style="list-style-type: none"> <li>• The shortlisted applicants that have opted for acceleration will go through a 4-6 months acceleration plan with the FinTech Acceleration Partner (In Karachi, Lahore and Islamabad)</li> <li>• At the end of the acceleration, both the types of start-ups (accelerated and direct access) will present their working product ideas in a competition in front of a judging panel to win a returnable grant up to \$100,000</li> <li>• This is a returnable grant which means that whoever wins this grant and is able to raise equity of up to 10 times the grant amount in two years then the start-up will return the grant to Karandaaz</li> </ul>
7.	<b>Timeline</b>	<ul style="list-style-type: none"> <li>• Call for Application, April 23<sup>rd</sup>, 2018</li> <li>• Application deadline is May 15<sup>th</sup>, 2018</li> <li>• Evaluations: May/June 2018</li> <li>• Intimation to finally shortlisted start-ups: June 2018</li> <li>• Acceleration: June 2018 – Oct / Nov 2018</li> <li>• Shortlisted applicants will pitch their ideas on the Day of the Challenge in Nov/Dec 2018</li> </ul>
8.	<b>Challenge Day Details</b>	<ul style="list-style-type: none"> <li>• The start-ups will be required to pitch their product ideas (with DEMOs) in front of a panel of Judges.</li> <li>• The presentations should be around 15-30 mins including Q&amp;A</li> <li>• Based on the total number of start-ups graduating from Acceleration program from both the partner accelerators and the start-ups applying directly, a qualification round on the day of challenge may be introduced</li> <li>• Karandaaz reserves the right to make changes in the above-mentioned plan on the day of event</li> </ul>
9.	<b>Venue</b>	<ul style="list-style-type: none"> <li>• The venue will be finalized later. Once finalized, the details will be shared with the accelerated or direct applying start-ups</li> </ul>
10.	<b>Eligibility for Start-ups</b>	<p><u>For Start-Ups Applying for Acceleration Program:</u></p> <ul style="list-style-type: none"> <li>• Only start-ups are eligible to apply to this competition and should not be operating for more than 3 years</li> <li>• Start-up founder/s with no team will not be eligible</li> <li>• The start-up should not have more than 10 employees</li> <li>• The value of tangible assets of the start-up should be less than PKR 10 million.</li> <li>• Entities which have availed any kind of funding from Karandaaz will not be eligible</li> </ul> <p><u>For Start-Ups Applying directly for the Pitch Presentation Competition Day (Nov/Dec 2018):</u></p> <ul style="list-style-type: none"> <li>• The start-up should be registered and based in Pakistan. Relevant documents will be required if the start-up is selected for the pitch presentation competition day</li> <li>• The start-up should have a working product and an early stage customer set</li> <li>• The start-up should not be operating for more than 3 years</li> <li>• Start-up founder/s with no team will not be eligible</li> <li>• The start-up should not have more than 10 employees</li> <li>• The value of tangible assets of the start-up should be less than PKR 10 million</li> <li>• Entities which have availed any kind of funding from Karandaaz will not be eligible</li> </ul>
11.	<b>Evaluation Criteria</b>	<p>Evaluation Criteria for <u>acceleration program</u> will be based on the following but not limited to:</p> <ul style="list-style-type: none"> <li>• Scalability &amp; innovativeness of the product or solution that increases financial inclusion</li> <li>• Team cohesion and competence</li> <li>• Market Opportunity</li> <li>• Viability of Business Model</li> <li>• Scale of Social Impact</li> <li>• Availability of the start-up for the acceleration program</li> <li>• The right of final selection into the acceleration cohort lies with Karandaaz and the Accelerator</li> <li>• Shortlisted applicants will be called for further evaluations by the respective accelerator partner to run its own process for final admission to its acceleration program</li> </ul> <p>Evaluation Criteria for <u>direct entry into the competition day (Nov/Dec 2018)</u> will be based on the following but not limited to:</p> <ul style="list-style-type: none"> <li>• A demo of working product</li> <li>• Scalability &amp; innovativeness of the product or solution that increases financial inclusion</li> <li>• Team cohesion and competence</li> <li>• Market Opportunity</li> <li>• Viability of Business Model</li> <li>• Scale of Social Impact</li> <li>• The right of initial shortlisting and final selection for the direct entry into the challenge day is with Karandaaz</li> </ul>

12.	<b>Commitments from Start-ups</b>	<p>If selected, applicants must commit to:</p> <ul style="list-style-type: none"> <li>• Sharing of data with Karandaaz Pakistan. All data will be treated as per the global access and IP policy of Karandaaz Pakistan. The policy will be provided upon email request</li> <li>• Participating in monitoring and evaluation activities. In particular: <ul style="list-style-type: none"> <li>• Measure direct users and direct beneficiaries</li> <li>• Direct users: Individuals interacting actively and directly with the FinTech solution during the grant period.</li> <li>• Direct beneficiaries: Individuals who develop some socio-economic value via the direct user who are using the FinTech solution during the grant period</li> <li>• Measure indirect beneficiaries following the end of the grant period.</li> <li>• Indirect beneficiaries: New beneficiaries of the FinTech solution after the grant period has ended</li> </ul> </li> <li>• Participating in lesson learning and experience sharing activities for internal and public audiences</li> <li>• Participating in Karandaaz Pakistan annual review process</li> <li>• Providing a demonstration of the product or service</li> </ul>
13.	<b>Project Coordinator</b>	<ul style="list-style-type: none"> <li>• DFS Department of Karandaaz Pakistan will be coordinating with the winners. Director DFS will play the managerial role and make decisions on behalf of Karandaaz Pakistan. He may be relying on third party services for monitoring the performance of start-ups with respect to their agreed milestones</li> </ul>
14.	<b>Payment Schedule</b>	<ul style="list-style-type: none"> <li>• The payment of the fund will be based on agreed milestones that will be designed for the winning start-ups</li> </ul>
15.	<b>Grant Details</b>	<ul style="list-style-type: none"> <li>• Up to 3 winners for grant up to \$100,000 each</li> <li>• This is a returnable grant which means that whoever wins this grant and is able to raise equity of up to 10 times the grant amount in two years from the start of the grant, then the start-up will return the grant to Karandaaz</li> </ul>
16.	<b>Expected Duration</b>	<ul style="list-style-type: none"> <li>• The project duration is expected to be up to 12 months <ul style="list-style-type: none"> <li>• Six months will comprise of Acceleration Program and another six months or more could be planned for utilization of grants based on the milestones by the winners</li> </ul> </li> <li>• This can be extended subject to mutual agreement between the start-up and Karandaaz Pakistan</li> </ul>
17.	<b>Contact Details</b>	email: fintech@karandaaz.com.pk
18.	<b>Disclaimer</b>	<ul style="list-style-type: none"> <li>• All Grants will be given at the sole discretion of Karandaaz Pakistan</li> <li>• The accelerators will be taking equity share in the start-ups. The details of this will be discussed at the time of shortlisting by the accelerators</li> <li>• Due Diligence of the winners will be carried out and if any violation of the terms &amp; condition is noted during the due diligence period or later, the grant will not be given or discontinued</li> <li>• Submission of application does not guarantee winning</li> <li>• Any expense incurred by the applicants for the submission of the application which might include, traveling, boarding, accommodation etc will be borne by the applicants</li> <li>• Only shortlisted applicants will be invited for the acceleration program or direct access to pitch presentation competition day.</li> <li>• Shortlisting will be at the sole discretion of Karandaaz and partner accelerator</li> <li>• Only the graduating start-ups and qualifying start-ups that applied directly will be invited for the final pitch presentation challenge day</li> </ul>