

Introduction

- The financial sector is experiencing rapid digitalization and innovation
- Optimize digital payments and harness emerging technologies like block chain and AI
- Financial institutions and FinTech startups alike must, therefore, adapt swiftly, leveraging agile strategies and robust frameworks to capitalize on the new opportunities while mitigating the connected risks.

Innovation with Resilience

- Stakeholders in India's financial ecosystem –
- Banks
- Non-banks
- Fintechs & Fintech Start-ups
- Regulators and
- Government - to foster innovation with resilience.

Future of India's financial system- policy priorities

Priority 1: Digital Financial Inclusion -

- promoting secure and digitally enabled financial services and products

• Priority 2: Digital Public Infrastructure (DPI) –

- universal fast retail payments (UPI) and targeted payment solutions like platform for bill payments.
- interoperability, transparency and cost effectiveness.

Contd....

- **Priority 3: Consumer Protection and Cyber Security –**
- upholding trust in the financial system
- putting guard rail against mis-selling and fraud
- data privacy and security breaches with the advent of new technologies
- Digital Personal Data Protection (DPDP) Act, 2023 is a cornerstone in India's consumer protection landscape

Regulators' Eye on Market Players

- Banks & Non-banks to adopt a customer-centric approach
- Implement robust security measures
- Offer transparent financial products& fair lending practices
- Minimizing technology risk
- Resilient IT infrastructure & Continuous monitoring
- AI-driven threat detection, analysis and mitigation
- Promoting cybersecurity awareness among consumers

Technologies for the future

- Artificial Intelligence & Machine Learning (AI/ML) revolutionise financial services especially in financial reporting
- Deployment of AI algorithms in fraud detection
- Machine learning models are increasingly being employed in credit underwriting tools
- Caveat- fully understand the risks posed by AI & require calibrated and responsible adoption

Technologies for the future –Contd...

- Quantum Computing- a game-changing technology with profound implications for cryptography, financial modelling and risk management
- In financial modelling, quantum computing's ability to process vast amounts of data and simulate complex scenarios promises to revolutionise portfolio optimisation, trading strategies and risk assessment

Sustainable & Orderly Development of Fintech Sector

- Appropriate balance between innovation & prudence
- Ensuring trust, security, accessibility, risk management & competition
- Self-regulation within the Fintech sector
- Self-Regulatory Organisations (SROs- The announcement of a framework for recognition of Self-Regulatory Organisations for FinTech (SRO-FT) by the Reserve Bank marks a pivotal step forward in this direction

Conclusion

- Harness transformative power of FinTech innovations coupled with our commitment to resilience sets a robust foundation for the future
- The seamless integration of emerging technologies will further redefine the financial landscape

Thanks for patient listening