

Message from the CEO

We truly live in exciting times. Building a resilient economy is no mean feat – especially in a country as large and diverse as India. Over the last few decades, many stakeholders have made immeasurable contributions to building financial products and solutions that have set the stage for India's growth in the digital space. It is heartening to see India take bold, big strides in all niche segments, especially in the world of fintech.

As a country, we are making significant progress in diverse areas including green finance, savings and tech, banking, digital payments have seen steady growth in adoption rates, helping India make a shift towards cashless transactions. At the same time, this shift to a cashless, digital economy is fuelled by the active participation of the government and regulatory bodies, who are enabling innovation through a wide range of thoughtful initiatives.

As an innovation hub, our vision at RBIH is to make finance accessible to over a billion Indians. What seemed like a daunting challenge is now a definite goal, made possible by spirited efforts from all stakeholders, as can be evidenced through this newsletter. I sincerely hope you enjoy reading this newsletter that has been curated to give you a bird's eye view of the most important happenings of the industry. We look forward to your thoughts and feedback.



— Rajesh Bansal, CEO-RBIH

Important Updates

NRIs from 10 countries can use UPI with their international numbers: A game-changing move by NPCI

The National Payments Corporation of India (NPCI) has made a significant move in the direction of digital financial transactions by allowing non-resident Indians (NRIs) from 10 countries to use the Unified Payment Interface (UPI) with their international mobile numbers. The list of countries includes Singapore, UAE, USA, UK, Canada, and Australia among others.

With the integration of their Indian bank account with their international mobile number, NRIs from these countries will be able to execute financial transactions in India from anywhere in the world, without the need for physical presence. This step is expected to not only promote digital transactions but also increase financial inclusion for NRIs, making it easier for them to manage their finances in India, especially for paying utility bills for their families. Furthermore, in a recent development, the Reserve Bank of India (RBI) has also decided to extend UPI access to foreign nationals and NRIs visiting India, starting with G-20 countries at select international airports for merchant payments (P2M) during their stay.



Economic Survey 2023: India outpaces world in fintech adoption, driving financial inclusion

The Economic Survey 2023 of India highlights India's position as a leader in fintech adoption, driving financial inclusion. According to the Global FinTech Adoption Index, India's fintech adoption rate stands at 87%, surpassing the world average of 64% significantly.

The survey attributes the growth of digital payments, especially the widespread use of the Unified Payment Interface (UPI), to reducing the dependence on cash and expanding access to financial services. This growth has been particularly beneficial for those who were previously excluded from the formal financial sector. The survey also acknowledges the proactive role of financial sector regulators in supporting fintech growth through initiatives such as regulatory sandboxes and innovation hubs, such as the RBIH for fintech innovation. It presents a positive outlook for the future of fintech in India, as technology continues to be a crucial factor in promoting financial inclusion and economic growth.



Union Budget 2023-24: Govt To Launch DigiLocker For MSMEs, Startups

The 2023 Union Budget announced the launch of 'DigiLocker' – an entity aimed at supporting Micro, Small & Medium Enterprises (MSMEs) and startups. This secure digital platform will provide a convenient solution for MSMEs and startups to store and access crucial documents such as licenses, certifications, and invoices. With this, the government intends to simplify regulatory compliance and promote ease of doing business by making these documents readily accessible through the DigiLocker platform.

Additionally, the budget outlines plans to offer access to credit and other financial services to support growth and development of MSMEs – a vital sector that forms the backbone of the Indian economy. The Finance Minister also emphasised the need to simplify the existing Know Your Customer (KYC) norms, adopting a risk-based approach, to align with the vision of Digital India. She encouraged financial sector regulators to implement a KYC system that is complementary to this vision.



India's first-ever sovereign green bonds auction sees strong demand



In January 2023, India launched its first ever sovereign green bond auction, under the aegis of the Reserve Bank of India (RBI). These bonds, aimed at financing eco-friendly projects and fostering sustainable development, have a maturity of 10 years. The government has set a target to raise INR 5,000 crore (\$685 million) through the sale of these bonds. The auction received substantial demand, with bids totaling INR 9,370 crore (\$1.14 billion), demonstrating a strong interest in environmentally-conscious investments in India. The government plans to use the proceeds from the sale of these bonds to fund various green initiatives, including renewable energy, energy efficiency, and sustainable water management. This launch aligns with India's commitment to promoting sustainability and reducing its carbon footprint, and supports efforts in transitioning to a low-carbon and environmentally-friendly economy.

RBI allows six entities to test fintech products to deal with financial frauds Under sandbox scheme

The Reserve Bank of India (RBI) has given the green light to six organisations to trial their fintech solutions in RBI's regulatory sandbox. These entities will have the opportunity to test their solutions in a controlled environment, where RBI can assess their success in combating financial fraud. The RBI has been promoting the growth of fintech in India through various measures, including the launch of its regulatory sandbox. This move is slated to promote innovation and help RBI to better understand the potential of these products in dealing with financial frauds. This will ultimately lead to improved and secure financial services, benefiting both the fintech sector and consumers.

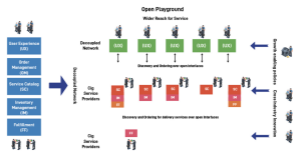
Tech in Focus

BECKN Protocol

In our last issue of Finwrap, we discussed the Open Network for Digital Commerce (ONDC) that works as a marketplace for e-commerce entities and solves the problem of buyers and sellers having to be on the same platform to complete a transaction. This month we will deep dive into the protocol enabling this network – the Beckn Protocol.

Beckn is an open protocol that enables buyers and sellers in a particular location to engage in commercial transactions. The Beckn protocol is a set of recommendations and rules that outline specific technical standards that can be adopted for building applications or platforms in a locality or a market to enable open interoperable interactions. The specifications allow Beckn to act as a transaction protocol that allows discovery (buyers finding sellers), ordering (buyers placing orders), fulfillment (sellers dispatching orders) and payment between buyers and sellers in the digital marketplace.

The protocol is designed to facilitate basic interoperability in commerce transactions on a digital medium, specifically for small, local businesses within a region, such as mobility services, final mile delivery, restaurants, hotels, and healthcares. The Beckn protocol is based on the principles of openness, interoperability, redundancy, layered design, and end-to-end architecture.



RBIH Updates

RBIH presents the PE-VC Report with special focus on Savings Tech

Savings and investments are an integral part of a country's economy. Historically, Indians are known to be comfortable with savings, yet we have seen a decline in the rate of savings in the last few decades. In the third and latest edition of our Private Equity – Venture Capital (PE-VC) in Financial Services and Fintech Report, we have deep-dived into the Savings Tech sector. This report has all you need to know about the segment – industry trends, market players, opportunities, and more. It also features a detailed article by Lalit Keshre, Co-founder and CEO at Crowe, on Responsible Innovation. To get up-to-date, [Click here](#)



CDO Forum

RBIH recently held its second quarterly Chief Digital Officer (CDO) Forum, on 'Leveraging AI for the Next Generation of Financial Innovation in the Indian Banking Sector' on 14th February, 2023 in Mumbai. Mr. Rajesh Bansal, CEO – RBIH, hosted and moderated the forum, which focused on leveraging emerging technologies such as artificial intelligence (AI), machine learning (ML), natural language processing (NLP), and advanced analytics to enhance customer experience in the future.

The forum was followed by a Q&A session that addressed topics such as ideal operating models, identification of high-revenue generating use cases, adoption of short- and long-term AI strategies, and datasets necessary to improve the maturity of AI models. Following the forum, RBIH and the participating banks agreed to explore ways to build capacity for sharing industry data with the objective of creating a database for voice-enabled banking.

In case of any queries or feedback, write to: communications@rbihub.in

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