Steering Committee on Fintech related issues submits its final report

News

The Steering Committee on Fintech related issues constituted by the Ministry of Finance, Department of Economic Affairs, today submitted its Final Report to Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman.

Objective of this Committee:

The Committee will study the issues related to the Fintech sector in India with a view to make Fintech related regulations more flexible and generate enhanced entrepreneurship. The Steering Committee will also focus on how Fintech can enhance financial inclusion of (Micro, Small & Medium Enterprises) MSMEs.

Committee Recommended:

- The Committee has recommended that the RBI may consider development of a cash-flow based financing for MSMEs, development of an open-API MSME stack based on TReDS data validated by GSTN and a standardised and trusted e-invoice infrastructure designed around TReDS-GSTN integration.
- Insurance companies and lending agencies to be encouraged to use drone and remote sensing technology for crop area, damage and location assessments to support risk reduction in insurance/lending business.
- It has also recommended adoption of Regulation technology (or RegTech) by all financial sector regulators to develop standards and facilitate adoption by financial sector service providers to adopt use-cases making compliance with regulations easier, quicker and effective.

Terms of Reference of the Committee

- It will analyse the developments in the Fintech sector and will deliver a common shared understanding of the current state of the sector.
- It will examine the regulatory regime that has impacted the Fintech growth in India.
- It will study how Fintech space can be leveraged in various sectors such as MSMEs, affordable housing, delivery of e-services to vulnerable sections, access and adoption of digital payments and to study the developments in these areas.
- It will develop regulatory interventions such as regulatory sandbox model to enhance the role of Fintech in the sectors identified for focused interventions.