

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO. 952**

TO BE ANSWERED ON THE 26<sup>TH</sup> JULY 2021/ SRAVANA 4, 1943 (SAKA)

**Big Tech Firms in Financial Sector**

952. SHRI RAVNEET SINGH BITTU:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Reserve Bank of India (RBI) in its report has raised concerns on the impact of big technology firms venturing into India's financial sector;
- (b) if so, the details thereof;
- (c) the details of likely governance related challenges to be posed for the regulators due to entry of these technology firms in financial services;
- (d) whether the Government is taking any measures to provide a level playing field for traditional banks by prudent regulation of these big technology firms in this regard; and
- (e) if so, the details thereof and if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a) and (b): With respect to big technology firms venturing into India's financial sector, RBI's Financial Stability Report (FSR) – July 2021, has stated concerns regarding level playing field with banks, operational risk, too-big-to-fail issues, challenges for antitrust rules, cyber security and data privacy.

(c): The said FSR report has highlighted certain challenges which include, *inter alia*, big techs straddling many different (non-financial) lines of business, with sometimes opaque overarching governance structures.

(d) to (e): In the said FSR report, in this context, RBI envisages to pursue financial stability objectives by a combination of activity and entity-based prudential regulation of big techs. An activity-based approach is already applied in areas such as anti-money laundering [AML] /combating the financing of terrorism [CFT].

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