

UPSC

Answer Questions in NOT MORE THAN the Word Limit specified for each in the Parenthesis.
(Specimen Answer Booklet - For Practice Purpose Only)

उम्मीदवारों को इस हाशिए में नहीं लिखना चाहिए।
Candidates must not write on this margin

(Please do not write anything except the question number in this space)
कृपया इस स्थान में प्रश्न संख्या के अतिरिक्त कुछ न लिखें।

Q. Critically examine the dominance of foreign-owned fintech apps in India's digital payments landscape, highlighting its implications & potential policy measures for fastening a sustainable & inclusive fintech ecosystem. (GS-03) (250 W)

Fintech or financial technology is the use of digital platforms, software & services to provide or facilitate financial services. e.g. Payments, lending, wealth etc.

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15

→ Dominance of foreign owned fintech apps

1) Fintech companies owned by foreign entities dominating Indian fintech sector with substantial ownership shares.

e.g. PhonePe (46.91%) > Google pay (36.39%)

2) The standing committee highlights concern about fintech platforms being exploited for money laundering.

e.g. Abu Dhabi-based app Pyypl being administered by chinese investment scammers.

Good Points here

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challenges

(i) Robust data
privacy &
security.

(ii) Local players often
have limited
access to funding,
hindering their ability
to invest in new tech.

(iii) Concerns
about
digital
literacy,
data
security,
scams

*Include
Balancing
Growth with
Regulations, like,
Level Playing
Field,*

*Data
Localization/
Regulatory
Co-operations
etc.*

Policy measures that may help foster a sustainable & inclusive fintech ecosystem -

1) create a comprehensive digital infrastructure & well-designed data policies.

2) Make available financial entity data. and consider sharing information among entities, considering consumer & data protection.

3) create a legal & regulatory framework, with the central bank often playing a key role.

4) focus on digital literacy, transparency to build trust.

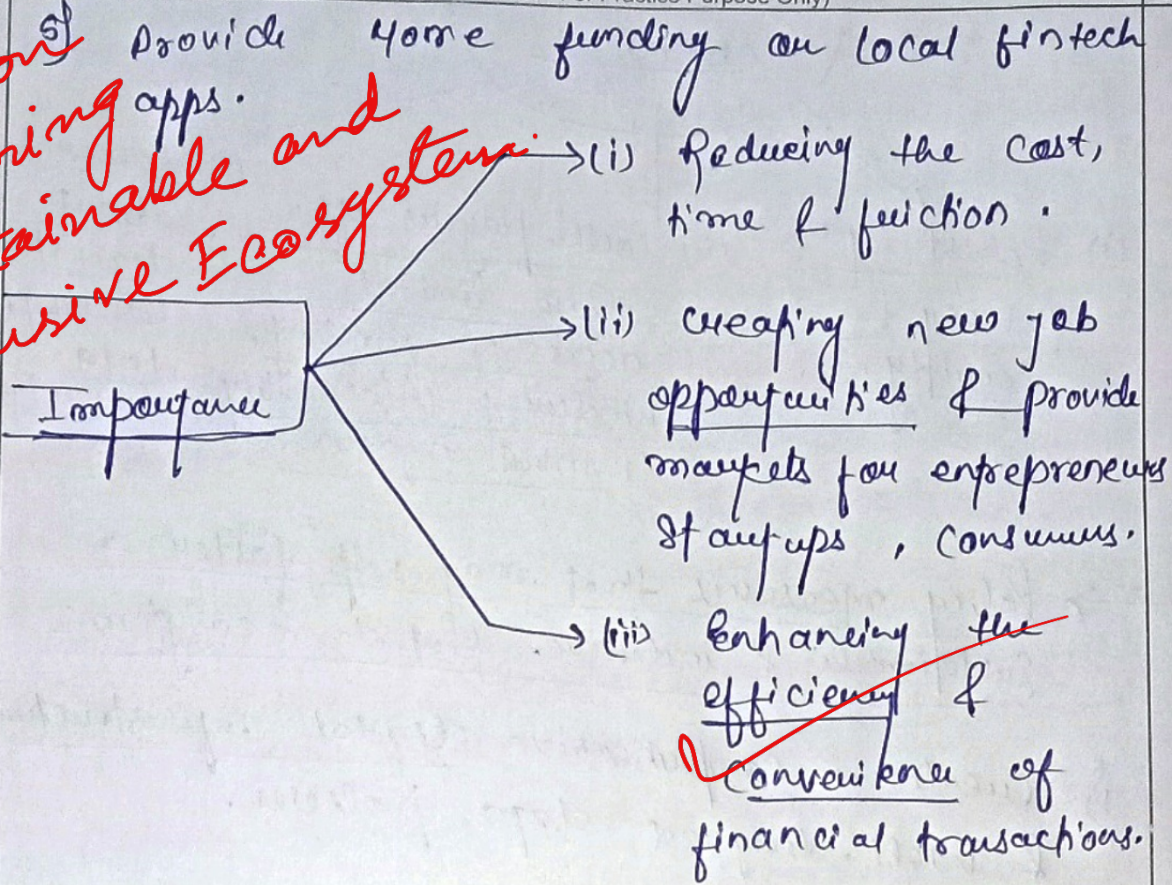
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Mention of Fostering a Sustainable and Inclusive Ecosystem.



India should more focus on local fintech apps this will make an identity globally & create more new job opportunities Nationally. India needs to also focus on ~~developing~~ developing this sector but with sustainably.