

Sustaining transition to digital economy

Through optimal regulatory architecture

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- *Optimal regulatory architecture*



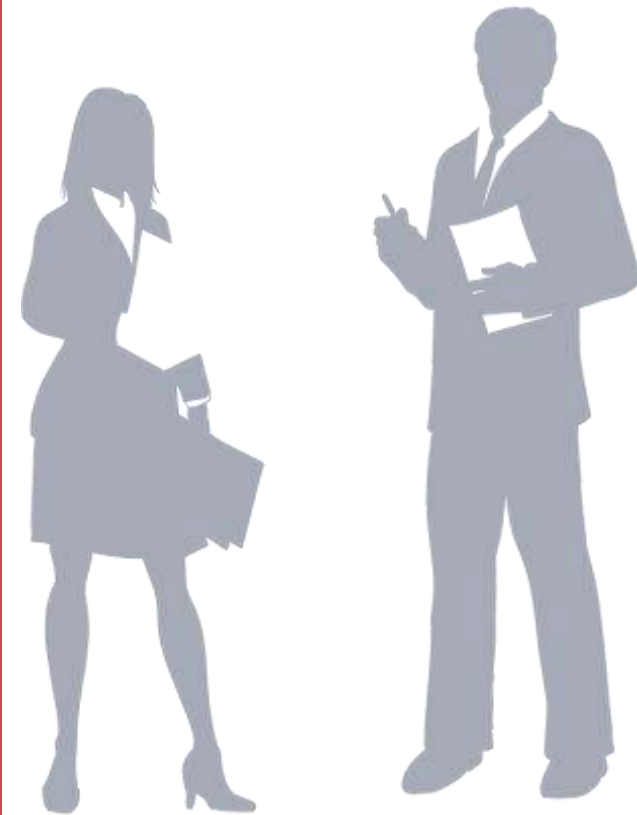
- *Prevailing challenges*



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Optimal regulatory architecture

- **Clarity in objective:** Focused on fixing market or regulatory failure
- **Level playing field:** Should be market friendly (not necessarily industry friendly!) and prevent anti-competitive practices
- **Consumer empowerment:** Address information asymmetry, balance rights and obligations of consumers, facilitate efficient grievance redress



Prevailing challenges

- **Multiple objectives:** Furnishing of PAN/ Form 60 (*taxation*) and paper documentation (*central registry*)
- **Preferential treatment:** To banks over non-banks (access to IMPS/ UPI/ APBS/ AEPS); universal banks over payments banks (capital adequacy ratio/ product approvals/ internet dark zones); unavailability of white label BCs
- **Neglect of consumers:** Transparency of charges; customer consent; data privacy; sharing of confidential information; fraud/ unsolicited payment requests; grievance redress and refunds

Way forward

- Adoption of **Regulatory Impact Assessment** to ensure regulations achieve maximum benefits at minimum costs
- Conduct **Competition Impact Assessment** to promote level playing between market players and ensure market efficiency
- Comprehensive and transparent **stakeholder consultation** including **active engagement with consumers** through periodic feedback



About CUTS

- Established in 1983
- Economic policy research, outreach and capacity building organisation
- Working towards improving quality of regulation, competition and governance with objective of achieving consumer sovereignty
- Presence within and outside India
- Significant work in digital finance:
 - Payments banks: <https://goo.gl/s7PUAS> and <https://goo.gl/Qm4Khx>
 - Payment systems: <https://goo.gl/4vjjoj>
 - Competition and Interoperability: <http://goo.gl/7QPzGG> and <http://goo.gl/AsQHpo>
 - Regulatory engagement: <https://goo.gl/Zy21yE>
 - Consumer risks: <https://goo.gl/6mZfGp> and <http://goo.gl/LCWFot>

Thank You



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