Sustaining transition to digital economy

Through optimal regulatory architecture

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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/AsQHp0
  - Regulatory engagement: https://goo.gl/Zy21yE
  - Consumer risks: https://goo.gl/6mZfGp and http://goo.gl/LCWFot
Thank You

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