

Challenges in Regulating Markets with Emerging Technologies

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Abstract

Regulating financial markets has always been trade-offs of between competing and desirable goals - like between laissez faire versus reasonable restrictions, customer convenience versus customer safety, prudential versus systemic safety, informed choice versus paternalistic position etc. Developments in various types of technologies - information, communication and mobile technologies - have compelled far reaching rethinking on the way regulations are framed.

The technological developments till last century had helped rendering financial services faster, cleaner and at increasingly large scale. Regulations could be agnostic about what technology the financial service rendered would use/ adopt.

Emerging technologies like Data Science, Internet of Things(IoT), Artificial Intelligence(AI), Block Chain Technology(BCT) and the like question that 'agnostic' behaviour/ attitude of the regulations. Internet only banking, Algo trades, Virtual coins etc are the manifestations of these emerging technologies.

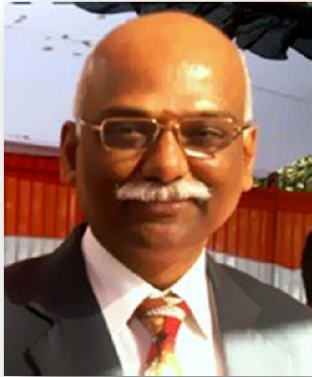
Different jurisdictions, placing varying emphasis on the competing public policy goals, have reframed the regulations, ranging from laissez faire to open support to total ban to dignified middle path. Also, there are coordinated approach and action, under the umbrella of international fora of regulators.

Traditional regulatory framework has been on the basis of an identified entity undertaking specific suite of financial services. Emerging technologies have enabled unregulated entities slicing of these services so thinly that they are not readily amenable to any regulation.

Regulators are also caught between the need to promote financial inclusion, the role of emerging technologies in furthering financial inclusion and the changes need to amend/ demolish existing regulatory framework.

The presentation will explore these areas.

Speaker Profile:



Mr Gandhi is a financial sector policy expert and adviser. His expertise includes banking and non-banking regulation, payment systems, financial markets, FinTech and currency management. He was a Deputy Governor of the Reserve Bank of India for three years from 2014 to 2017. He had been a seasoned and accomplished central banker for 37 years. He had a three year secondment to the Securities and Exchange Board of India (SEBI), the capital market regulator. He also held the charge of Director of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad.

He has been associated with various committees, working groups and task forces, both domestic and international. He was one of the initial members of the Monetary Policy Committee (MPC). He was a member of the Basle Committee on Banking Supervision (BCBS) and the Committee on Global Financial Systems (CGFS), Basle.

He was one of the key architects in designing and implementing the critical payment systems of RTGS, NEFT and NDS; his role in strategizing and successfully implementing the Demonitisation of the High Denomination Notes was also crucial.

He has been educated in India and abroad. He has a master's degree in Economics from the Annamalai University, in Tamil Nadu, India. He also has post graduate level certificates in Management Information System from The American University, Washington DC, USA and in Capital Market from the City University of New York, New York, USA. His technical education includes a certificate course in System Programming from the IBM Education, Sydney, Australia and courses in ORACLE, Assembly Language, Networking etc. He also has a certificate in Gandhian Thoughts from the Madurai University, Tamil Nadu, India.

He was born in 1956.