

**Remarks of His Excellency Sibi George
Ambassador of India to Japan at
India-Japan: Powering the Fintech Story (January 16, 2024)**

Mr. Miyoshi Toshiyuki, Vice -Commissioner, Japan Financial Services Agency

Shri. K. Rajaraman, Chairperson, IFSCA

Mr. Joshy Josephy, Chief technology officer, GIFT City

Ms. Naomi Takegoshi, Relations Manager- Fincity, Tokyo

Mr. Harsha Bhoumik, Director, Department of Economic Affairs, Ministry of Finance, Govt of India.

Mr. Katsuya Ninagawa, Director, Global Corporate & Investment Banking Planning Division, MUFG Bank Ltd.

Dear Friends, Ladies and Gentlemen,

At the outset, I would like to thank all the esteemed guests for joining us today. Fintech has been instrumental in transforming the financial and commercial landscape across the globe, using innovative information and automation technology. Today, due to the emergence of Fintech, we can carry out complex financial actions such as payment processing, e-commerce transactions, purchasing insurance, trading on stock markets, opening bank accounts, applying for personal loans online using smart phones etc. with enhanced functional and operational efficiency.

Fintech is an important part of our Financial Cooperation with Japan. It has made the delivery of financial services faster, cheaper and more accessible.

The pace and acceleration of digital adoption in India is a vital factor towards India's emergence as the fastest growing Fintech market. India's Fintech segment (3rd largest globally) is projected to generate around US\$200 Bn in revenue by the year 2030, contributing to approximately 13 per cent of the global FinTech industry's total revenue in 2030.

India rank number one for Real-time payments globally in 2022, with 89.5 Bn transactions (46% of all real-time transactions worldwide in 2022).

The JAM trinity – the trinity of bank accounts (Jan Dhan); Aadhaar, world's largest bio-metric identification system; and Mobile phone connectivity – has revolutionized India's FinTech ecosystem in terms of financial inclusion, digitization of financial services, and overall service delivery.

The Payments landscape in India is expected to reach US\$ 100 Tn in transaction volume and US\$ 50 Billion in terms of revenue by 2030. (EY Fintech report).

The Unified Payments Interface (UPI) has played an exemplary role in contributing to the India Fintech story. Its success story has in fact become an international model.

UPI recorded 12+ Bn transactions in Dec'23 (80%+ of total digital transactions), with the aggregate transaction value reaching ~US\$ 210

Bn. UPI facilitates the transaction needs of over 330 Mn estimated unique users and 70 Mn merchants (acceptance) through 70+ mobile apps.

India Stack has digitized and simplified KYC procedures, lowering costs; banks that use e-KYC lowered their cost of compliance from \$12 to \$0.06. The decrease in costs made lower-income clients more attractive to service than earlier.

Government initiatives such as India Stack, Digital Public Infrastructure, GIFT City will further bolster our position as a pioneer in Fintech globally.

IFSCA Fintech

In the Union Budget 2020-21, the Hon'ble Finance Minister had announced to support a "*World Class FinTech Hub*" at GIFT IFSC, the country's first International Financial Services Centre (IFSC). India is today, the fastest growing fintech markets, and as mentioned by our Hon'ble PM, the GIFT City has the potential to become "gateway" to a global fintech world and "a fintech laboratory.

To promote innovation and entrepreneurship, IFSCA has also issued a progressive regulatory framework for fintech. It supports a fintech initiative scheme providing grants to both Indian and foreign fintechs. We encourage you all to make the most of this opportunity.

India-Japan Fintech collaboration

GIFT City - India's first operational smart city and International Financial Services Centre (IFSC)— signed an MoU with the Fintech

Association of Japan (FAJ) to strengthen the fintech ecosystem in GIFT City and Japan's fintech community. (Aug'22)

As part of the MoU, GIFT City and FAJ plan to promote fintech innovation and a fintech accelerator for encouraging, promoting and supporting fintech startups. Also, the MoU entails conducting programmes related to international financial services, promoting GIFT City as a fintech hub in India and exposing young innovators in the fintech domain to opportunities in India and Japan.

With this, I would now like to invite our guests and panelists from both India & Japan to share their perspective and opportunities across various Fintech related developments; digital innovation and framework that may further strengthen our Fintech collaboration between both countries.

Thank you and wish you all a Good Evening !
