

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO-619
ANSWERED ON – 07.02.2023/ 18 MAGHA, 1944 (SAKA)

USE OF BLOCKCHAIN TECHNOLOGY IN BANKS

619. SHRI S NIRANJAN REDDY:

Will the Minister of Finance be pleased to state:

- (a) whether the Union Government proposes to encourage increased usage of Blockchain Technology in Indian banks in view, of the fact that, according to the Indian Banks Association, only a few Indian banks are using Blockchain Technology on a small scale;
- (b) whether Government has conducted any pilot project or study to evaluate the use of Blockchain Technology as a counter-measure to banking frauds/hacking; and
- (c) whether the RBI's "Regulatory Sandbox" has identified any specific areas for the use of Blockchain Technology for Indian banks?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a), (b) and (c): Reserve Bank of India (RBI) has informed that Blockchain Technology (BCT) is one of many promising technologies and its usefulness will depend on how it is adopted and adapted to a wide array of uses. Further, RBI has informed that BCT has been listed as one of the innovative technologies, leveraging on which innovators can apply to test their products in RBI's sandbox environment.

RBI has stated that their Regulatory Sandbox has not identified any specific areas as such for the use of BCT for Indian banks. However, under the Cross Border Payments theme of the Regulatory Sandbox of RBI, participating entities have tested certain blockchain based applications.
