

GOVERNMENT OF INDIA
MINISTRY OF FINANCE

RAJYA SABHA
STARRED QUESTION NO. *69(9)
ANSWERED ON- 13.12.2022/AGRAHAYANA 22, 1944 (SAKA)

Common blockchain-based platform for the banking sector

69 SHRI S NIRANJAN REDDY:

Will the Minister of Finance be pleased to state:

- (a) whether banks are creating prototypes for using blockchain technology, independent of each other;
- (b) if so, whether the interoperability of such blockchain based applications between different banks may pose a problem in the future;
- (c) whether Government intends to set up guidelines or prescribe a model common blockchain technology platform for the banks to ensure standardization and interoperability in the use of blockchain technology in the banking sector; and
- (d) if so, the details thereof, and if not, the reasons therefor?

ANSWER

THE FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

- (a) to (d): A statement is laid on the Table of the House.

Statement as referred to in reply to Part (a) to (d) of Rajya Sabha Starred Question no.*69(9) for answer on 13th December, 2022 regarding “Common blockchain-based platform for the banking sector” by SHRI S NIRANJAN REDDY, Hon’ble Member of Parliament

(a) to (b): Indian Banks Association (IBA) has informed that at present, only a few banks are using blockchain technology at a small scale. As such, the issue pertaining to interoperability of such a platform between banks is not present.

Further, Indian Banks’ Blockchain Infrastructure Company (IBBIC) Private Limited that was incorporated with an objective of providing a platform for exploring, building, and implementing Distributed Ledger Technology (DLT) solutions for the Indian financial services sector, is currently working on scoping the implementation of domestic Letter of Credit (LC) issuance as its first use case through the platform. The consortium consists of 18 banks comprising leading Public and Private Sector banks of India.

Reserve Bank of India (RBI) has been providing guidance for development of blockchain-based application through its mechanism for testing of innovative technologies, products and services, known as Regulatory Sandbox. Blockchain technology has been listed as one of the innovative technologies in this regard, where innovators can apply to test their products through this mechanism.

(c) to (d): There is no proposal to set up guidelines or prescribe a model common blockchain technology platform for the banks.
