GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
STARRED QUESTION NO *99

ANSWERED ON TUESDAY, 28 JULY, 2026 / 6 SHRAVANA, 1948 (SAKA)

CYBER SECURITY RISKS TO DIGITAL FINANCIAL ECOSYSTEM

99 SHRI AKHILESH PRASAD SINGH:

Will the Minister of Finance be pleased to state:

(a) whether Government has undertaken a comprehensive review of cyber risks affecting India's rapidly expanding digital financial ecosystem, including banking, payment platforms and fintech services;
(b) whether increasing instances of AI-enabled financial frauds have necessitated strengthening the existing regulatory framework;
(c) the measures taken to improve coordination among financial regulators, banks and cyber security agencies for real-time threat response; and
(d) whether Government proposes to establish a unified national financial cyber security architecture to safeguard digital transactions?

ANSWER

THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

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

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STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. *99 FOR JULY 28, 2026, REGARDING "CYBER SECURITY RISKS TO DIGITAL FINANCIAL ECOSYSTEM" TABLED BY SHRI AKHILESH PRASAD SINGH, HON'BLE MEMBER OF PARLIAMENT

(a) & (b): India's financial sector has witnessed significant digital transformations in the past few decades contributing to economic growth, financial inclusion, and global integration. With continued government support, enabling regulatory framework, and the expansion of digital public infrastructure, India's financial ecosystem is poised to play a key role in the global digital economy. However, with the increased digitization, the incidence of cyberattacks such as phishing, ransomware attacks, data breaches, identity theft and cyber financial frauds are also likely to increase. Initiatives such as identification of Critical Information Infrastructure (CIIs), on-site/off-site cyber security inspections, cyber security drills, regular cyber security audit, incidence response protocols, etc. have significantly enhanced the resilience of digital financial ecosystem. However, the emergence of frontier technologies such as advanced Artificial Intelligence (AI) models may pose challenges in the growth, security and stability of the financial sector. In order to assess the imminent cyber risks to the financial sector and to suggest measures to mitigate those risks, the government has constituted an Inter-ministerial Group (IMG) to formulate a comprehensive financial sector-specific cyber security strategy.

(c) & (d): To address the growing cyber threats, the government has been actively engaging with the financial sectoral regulators to strengthen the cybersecurity posture of the financial institutions. Indian Computer Emergency Response Team (CERT-In) has set up a National Cyber Coordination Centre (NCCC) which monitors cyberspace at metadata level to detect potential cybersecurity threats and facilitates real-time information sharing with concerned organisations, regulators and other stakeholders, enabling timely preventive and response actions.

Further, a nodal Computer Security Incident Response Team for the Financial Sector (CSIRT-Fin) has been set up under the overall supervision of CERT-In. Its role includes collecting and analysing information on cyber incidents, issuing sector-specific alerts and advisories, coordinating cyber incident response activities, and monitoring sectoral efforts towards maintaining a dynamic cyber security architecture in the financial sector.

Under the aegis of Financial Stability and Development Council (FSDC), an Inter-Regulatory Technical Group (IRTG) has been constituted to deliberate and address various issues in the financial sector which require coordinated actions from multiple regulators. Moreover, to address the risks arising out of emerging technologies, the Indian Banking Association (IBA) has set up a Working Group represented by the banks, financial sector regulators, and government agencies.

In order to contain the cyber financial frauds, the government in consultation with the Reserve Bank of India has set up India Digital Payment Intelligence Corporation (IDPIC) to share real-time fraud intelligence and alerts to the banks and financial institutions by leveraging advanced technologies such as Artificial Intelligence, Machine Learning and Big Data Analytics.

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