

National

BANKING INNOVATIONS

IDRBT building next generation Digital Financial Infrastructure

G. Naga Sridhar Hyderabad | Updated on May 15, 2021



A banking innovation centre will also be set up for new technology applications

The Institute for Development and Research in Banking Technology (IDRBT), an arm of Reserve Bank of India (RBI), is building next generation Digital Financial Infrastructure.

“We are working on building this high speed network to be owned by the Government of India with which the government can monitor and control all financial activity and security becomes easy,” D. Janakiram, Director, IDRBT told Business Line.

The National Digital Financial Infrastructure (NADI) would provide a roadmap and framework for future digital financial services growth in the country.

The NADI will consist of modern network infrastructure which includes 5G/Edge Cloud with SDNs (software defined networking) for connecting to the critical data centre infrastructure at the back-end.

“This will have the ability to separate financial network traffic from other traffic with clear entry points for protecting the network from outside elements and ability to quickly isolate the network in the event of counter-attacks,” Janakiram said, quipping, “attacks are not local and nowadays, all wars are in data centres.”

It will also have the middle ware infrastructure for supporting both digital identity verification, digital identity assessment and digital asset management with the support of efficient digital ledger technologies and AI/ML technologies.

It will also provide for development and deployment of financial applications by banks and other financial institutions, Janakiram, who recently took over as Director of IDRBT, said.

The premier banking technology research institute in the country is expecting to deploy the prototype of DALFIN in the next one to two years.

Cyber Security

On the ways and means to tackle cyber threats for financial transactions, the director said there was a need to “change strategy completely.”

“We all should be moving into a predictive regime and threat-hunting mode is the need of the hour rather being just being responsive after a cyber security breach happens,” he added.

“With lot of data being collected with fast-increasing digital transactions, it is possible to provide more informed access to credit and the transaction data should be used in a much bigger way to develop risk modelling. There is a need to move from subsidy model of development to a credit-model,” he said.

The institute is setting up a banking innovation centre to make banks co-inventors and co-developers in new technology applications

Efforts are on to develop hybrid cloud technology which will bring down re-engineering costs of legacy systems backed by deep research in cloud security.
