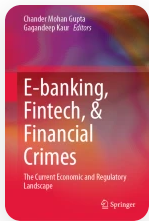


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Financial Crimes and Fintech in India

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E-banking, Fintech, & Financial Crimes

[Shah Ali Adnan](#) & [Pramod Kumar](#)

Abstract

The presence of fintech in India has presented both possibilities and threats in the fight against financial crimes, which have historically been a significant burden for governments and regulatory organisations globally. Fintech, the convergence of finance and technology, has fundamentally transformed the financial terrain by providing inventive alternatives to conventional banking services. Nevertheless, the rapid expansion of the industry has concurrently opened up new opportunities for financial wrongdoers to manipulate. An eminent issue pertaining to fintech and financial crimes in India is the escalated susceptibility to money laundering. Due to the widespread use of digital payment platforms and online banking services, criminals have discovered novel methods to launder money via

intricate transactions that pose challenges in terms of traceability. Moreover, the ability to remain anonymous provided by some fintech services poses difficulties for law enforcement organisations in the identification and prosecution of wrongdoers. Another area of worry is to the escalation of cybercrime inside the financial industry. With the increasing shift of financial transactions to the Internet realm, hackers persistently search for weaknesses to attack in order to get financial benefits. The menace of cybercrime poses a significant danger to India's increasingly digitising financial environment, ranging from phishing assaults aimed at unwary individuals to intricate cyberattacks against fintech systems. Indian regulatory authorities are implementing measures to tackle these difficulties and minimise the dangers linked to fintech and financial illicit activities. The Reserve Bank of India (RBI) has implemented strict laws that regulate digital payments and fintech firms. These regulations require these companies to have strong security measures and adhere to requirements related to anti-money laundering (AML) and know your customer (KYC) protocols. Furthermore, the Securities and Exchange Board of India (SEBI) has taken a proactive approach in overseeing and controlling fintech businesses that operate in the securities market, with the aim of preventing market manipulation and insider trading. Effective war against financial crimes requires critical collaboration among the government, regulatory bodies and the fintech sector. To maintain the security and stability of its financial system in the digital era, India may adopt strategies such as encouraging the exchange of information, integrating cutting-edge technologies like artificial intelligence (AI) and blockchain and strengthening cybersecurity measures.

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Author information

Authors and Affiliations

ISM, Patna, Bihar, India

Shah Ali Adnan

FCM, Assam down town University, Guwahati, Assam, India

Pramod Kumar

Editor information

Editors and Affiliations

Associate professor, Faculty of Management Sciences, Shoolini University of
biotechnology and Management Sciences, Solan, Himachal Pradesh, India
Chander Mohan Gupta

Faculty of Law, Uni. of Petroleum & Energy Studies, Dehradun, Uttarakhand, India
Gagandeep Kaur

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