



PwC India FS Risk Symposium

Key takeaways from the Ministry of Finance,
Government of India



Keynote session

6th February 2025





PwC India proudly conducted the fourth edition of its flagship **Financial Services (FS) Risk Symposium** on 6th February 2025 in Gurugram – the first of its kind in the north region.

The symposium brought together industry leaders and experts from the FS sector to share their knowledge, experiences, insights and strategies to help navigate the uncertain and emerging risk landscape of the banking, financial services and insurance (BFSI) space.

This edition of the symposium was meticulously designed to focus on the emerging challenges faced by the financial institutions on the:



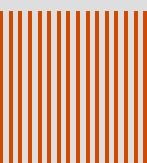
evolving complexities of anti-money laundering (AML)/know your customer (KYC) compliances



risks associated with operational and cyber management policies



recently updated Digital Personal Data Protection (DPDP) guidelines to strengthen data protection measures for Indian citizens.



Smarak Swain, an esteemed officer of the Ministry of Finance, was the keynote speaker and commenced the symposium with an engaging speech that touched upon the complexity of cybersecurity challenges and geopolitical concerns that predominantly loom over the FS industry today. His address underlined the vulnerabilities in the crypto field, especially stressing on a significant factor that ‘crypto exchanges are semi-regulated entities in India, despite having a fund balance of around INR 4,000 crore’. He highlighted a crypto exchange platform incident, which resulted in the loss of around USD 230 million and ascribed it to insufficient incident response systems and poor cybersecurity hygiene.



Swain further emphasised the importance of cybersecurity measures and the methods of corrective implementations and constant vigilance, noting that the breach was more of a ‘sleight of hand’ exploiting employee psychology, rather than a sophisticated attack. This incident was a sobering reminder of the significance of implementing strong cybersecurity systems as well as the increased possibility of reputational damages due to a single hack.

Moving forward to geopolitical risks, Swain discussed in length the possible consequences of political developments in the US and Middle-East. Highlighting currency conversions and the involvement of global intermediaries, the discussion also addressed the effect of the US Treasury sanctions on trade dynamics between different countries.

Additionally, Swain brought attention to some of the risks highlighted in the National Risk Assessment (NRA) 2022 and announced that the next iteration of the NRA will be released in 2025. He mentioned that this forthcoming version will adopt a bottom-up approach, ensuring high involvement of the private sector to enrich the assessment with diverse perspectives and insights.

The address further explored the ongoing difficulties stemming from the constant evolution of regulatory compliance and its associated risk assessments. Emphasising the role of corporate compliance officers in negotiating challenging regulatory settings, Swain recommended they pivot their focus towards a bottom-up strategy in risk management. To achieve precise documentation and risk assessments within financial institutions, it is essential to have a thorough knowledge of client due diligence and integrate consistent KYC procedures that will allow firms to better manage regulatory shifts in the near future.

In conclusion to his insightful address, Swain urged industry stakeholders to be alert and proactive in addressing such challenges by clearly delineating the link between cybersecurity and geopolitical concerns in their assessment models. The address ultimately served as a call to action for the financial industry and its leaders to appropriately, yet comprehensively, enhance resilience against progressing threats and uncertainties.

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