FSDC's 30th Meeting: Discussion on Financial Stability, Cyber Strategy and Tokenisation

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Why in the News

Finance Minister Nirmala Sitharaman chaired the **30th meeting of the Financial Stability and Development Council (FSDC)**, the coordination council of financial regulators and senior government officials, in New Delhi on 23 October 2026 (PIB, 23 October 2026). Amid geopolitical uncertainty, rapid advances in the AI sector and a sharp rise in global bond yields (the rate of return on government bonds), the Council stressed vigilance and proactive risk management.

Main Topics of Discussion

- **Domestic investment ecosystem:** Simplification of the KYC process and digital onboarding for NRIs and foreign portfolio investors (FPIs); MSME-focused expansion of the Account Aggregator and the Unified Lending Interface (ULI, a framework that digitally connects the lending process); rationalisation of credit guarantee schemes.
- **Tokenisation:** Consideration of fintech innovation and the possibilities of tokenisation of financial and other real assets (tokenisation: conversion of an asset into a digital token form).
- **Cyber security:** Attention to the **Financial Sector Cyber Security Strategy (FSCSS)** prepared by the Inter-Ministerial Group (IMG); protection of critical information infrastructure and the cyber preparedness of Regional Rural Banks (RRBs) were also on the agenda.
- **Unclaimed assets:** Direction to speed up the return of unclaimed amounts in deposits, dividends, shares, post office savings, insurance and pensions; progress of the district-level **"Your Money, Your Right"** campaign was recorded.
- The Finance Minister urged that FSDC meetings be held more often, on a pre-determined schedule.

Attendance

RBI Governor Sanjay Malhotra; the chairpersons of SEBI, IRDAI, IFSCA, PFRDA and IBBI; the Chief Economic Adviser; the Director General of CERT-In; and senior secretaries of the

Ministry of Finance (release list).

Context and Detailed Explanation

The FSDC should be understood as a coordination mechanism for financial stability: it brings together the heads of the Ministry of Finance, RBI, SEBI, IRDAI, PFRDA, IBBI and IFSCA, so inter-regulatory issues find alignment here. Three risk contexts of this meeting are noteworthy: volatility in capital flows from geopolitical uncertainty, the risk of imbalance in market valuations from rapid growth of the AI sector, and pressure on borrowing costs from the rise in global bond yields. Among domestic initiatives, the MSME expansion of ULI (Unified Lending Interface) and the Account Aggregator is important: ULI digitally connects the process from loan application to disbursement, while the Account Aggregator makes a borrower's financial data securely available to lenders with the borrower's consent. The discussion on tokenisation shows a forward view: converting real assets into digital token form can widen investment access, but the regulatory framework is still at the discussion stage. The "Your Money, Your Right" campaign is an effort to return unclaimed deposit, insurance and pension amounts to their rightful owners. Note: this meeting is a forum for coordination and direction; no rule or notification was issued in this release.

From the Exam's Perspective

Preliminary: what the FSDC is, who chairs it, member institutions; ULI/Account Aggregator; GIFT-IFSC. Mains (GS-III): emerging risks to financial stability (geopolitics, AI, bond yields) and the inter-regulatory coordination mechanism.

Sources and Limitations

- PIB (Ministry of Finance), 23 October 2026 (read): https://pib.gov.in/PressReleasePage.aspx?PRID=2327596
- **Limitations:** All subjects are at the discussion stage; no rule or notification was issued in this release.