Finternet

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About Finternet:

- It is **multiple financial ecosystems** interconnected with each other – much like the internet.
- It would **lower barriers** between different financial services and systems, drastically reducing the complex clearing and messaging chains and other frictions that hinder financial systems.
- **Working:** Finternet would be **built on unified ledgers** which will bring multiple financial markets such as **tokenized assets, shares, bonds**, real estate, on a single programmable platform.
- This has the capability to enable individuals and businesses **to transfer any financial asset** they like, in any amount, at any time, using any device, to anyone else, anywhere in the world. Financial transactions would be cheap, secure, and near-instantaneous.
- **Advantages:** Finternet will **be user-centric, unified,** which means it will cover all types of assets, with a universal infrastructure.
- **Significance:** This would **reduce the complex processes** that happen behind-the-scenes today and make transactions slower and expensive.

- Central banks would remain at the core of the system, ensuring trust in money, but (like today) work closely with commercial banks.

Q1: What is a Card-on-File transaction?

Card-on-File transaction is a transaction where cardholders authorizes merchants to store their payment information securely and bill cardholders' stored accounts for future purchases.

Source: Nandan Nilekani gives a glimpse of the next decade of India's 'Finternet'
