

# The RBI-Recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT)



Issue 15, July 2025

## Issue 15

### CUBE: Your Insight into FinTech Ecosystem

Hello from FACE, the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT). We present the fifteenth edition of Cube – your go-to source for the latest and most relevant happenings in India's FinTech ecosystem and beyond. Got thoughts or ideas? We would love to hear from you at [communications@faceofindia.org](mailto:communications@faceofindia.org).

### Rulemaking

#### Reserve Bank of India (RBI)

- [Updation/ Periodic Updation of KYC – Revised Instructions \(Jun 12, 2025\)](#): The RBI has revised KYC updation rules to ease processes for customers, including allowing Business Correspondents to help with KYC updates. Banks must also run special campaigns and camps to clear backlogs, especially in DBT, PMJDY, and rural/semi-urban accounts.
- [Electronic Trading Platforms Master Direction \(Jun 16, 2025\)](#): The RBI issued comprehensive guidelines consolidating and updating rules for Electronic Trading Platforms (ETPs). These directions supersede the 2018 framework, aiming to strengthen oversight, reporting requirements, and regulatory clarity for all entities operating ETPs in India.
- [Pilot Project for Digital Consent Management in Partnership with RBI and Banks \(Jun 16, 2025\)](#): TRAI, in partnership with RBI and banks, launched a pilot project for digital consent management to tackle spam calls and messages linked to unverifiable consents. The initiative aimed to create a secure system for capturing and validating customer consent for commercial communications.

- [Reserve Bank of India \(Project Finance\) Directions \(Jun 19, 2025\)](#): The RBI issued updated guidelines under the Reserve Bank of India (Project Finance) Directions, 2025. These directions rationalise and harmonise norms for restructuring project loans, integrating them more closely with the broader prudential framework for early recognition and resolution of stress in borrower accounts.
- [Review of Priority Sector Lending norms: Small Finance Banks \(Jun 20, 2025\)](#): The RBI has revised priority sector lending norms for Small Finance Banks, reducing the overall PSL target from 75% to 60% of Adjusted Net Bank Credit, effective FY 2025–26. SFBs must allocate 40% to mandated sub-sectors and the remaining 20% to priority sectors of their choice.
- [Directions on Due Diligence of Aadhaar Enabled Payment System \(AePS\) Touchpoint Operators \(Jun 27, 2025\)](#): The RBI has issued final directions on due diligence and risk management for Aadhaar Enabled Payment System (AePS) Touchpoint Operators, introducing clear requirements for acquiring banks to onboard and monitor ATOs. These rules, effective January 1, 2026, incorporate stakeholder feedback on the earlier draft.

### **National Payments Corporation of India (NPCI)**

- [Circular on the Updated NACH System](#): NPCI released details on the NACH 3.0 rollout, new features, training schedules, and the discontinuation of the old system.
- [Circular on Modification in UPI chargeback Rules and Procedures](#): NPCI issued details on modification in UPI chargeback rules and procedures, introducing the RGNB (Remitting Bank Raising Good Faith Negative Chargeback) option.
- [Circular on NACH dedicated API](#): NPCI issued circular on the rollout of a dedicated API aimed at enabling government departments to verify customer account details (like PAN validation, account status, etc.) from the bank Core Banking Systems (CBS).
- [Circular on Initiation of Self-Attestation of Members or Participants for F.Y. 2025-26](#): NPCI has issued a circular mandating that all members and participants complete Self-Attestation via the Product Compliance Portal (PCOMP) for all applicable products by 31 March 2026.

### **Securities and Exchange Board of India (SEBI)**

- [Consultation Paper on Guidelines for Responsible Usage of AI/ML in Indian Securities Market](#): It proposes principles and safeguards for deploying AI/ML by market participants. Stakeholders can submit comments and suggestions until 11 Jul 2025.
- [FAQs on Cybersecurity & Cloud Adoption Frameworks](#): SEBI has published FAQs clarifying its Cybersecurity and Cyber Resilience Framework (CSCRF) and Cloud Adoption Framework for regulated entities, addressing compliance expectations, audit requirements, and alignment with industry standards.

### **Ministry of Electronics and Information Technology (MeitY) & Department of Telecommunications**

- [Telecom \(Cyber Security\) Amendment Rules \(DoT\)](#): A proposed regulatory framework from India's Department of Telecommunications introducing mandatory validation of active mobile numbers to combat SIM-based fraud, while raising concerns about identity mismatches, compliance costs, and operational feasibility for FinTech.

- [NeGD and Digital India – BRD for Consent Management System](#): This business requirement document details the objectives and features of a consent management platform aligned with India's DPDP Act, enabling transparent, compliant handling of consents across their lifecycle and empowering individuals to control their personal data.

## Must-Reads

### General

- [RBI – Financial Stability Report \(Jun 2025\)](#): The report presents the FSDC Sub-Committee's assessment of the Indian financial system's resilience, reviewing global and domestic risks, financial market conditions, stress test results for banks and non-banks, and sectoral stability indicators.
- [Future of Global Fintech Report \(Second Edition\)](#): An evidence-based survey of 240 FinTech firms worldwide, offering insights on market maturity, financial inclusion, partnerships, technology adoption (especially AI), and the evolving regulatory landscape across six key business verticals and regions. The report has been developed by the Cambridge Centre for Alternative Finance, Cambridge Judge Business School and the World Economic Forum.  
FACE contributed to the development of this report, and FACE members participated in the global survey that informed this publication. Key highlights pertaining to Indian FinTech include that India is considered, among other countries, a global FinTech hotspot and a top operating country for FinTech. Moreover, India contributed to the APAC region's strong average revenue growth rate of 44% between 2022-23, the second highest among all surveyed regions.
- [IMF – Bank to Sovereign Risk Transmission](#): This IMF study analyses how the collapse of Silicon Valley Bank propagated credit risk from banks to sovereigns globally, finding the effect strongest in countries with high debt, significant bank holdings of government bonds, and weaker bank capital buffers.
- [World Bank – Radical Debt Transparency](#): The report examines how hidden, complex, and opaque sovereign debt practices undermine debt sustainability, highlighting the need for radical improvements in debt reporting, disclosure, and governance frameworks.
- [World Bank – Foreign Direct Investment in Retreat](#): The report analyses how FDI in developing economies has fallen to its lowest share of GDP since 2005, highlighting the structural decline in capital flows critical for growth, poverty reduction, and climate goals.

### FinTech, Banking, and Credit

- [BCG – Global FinTech Report 2025](#): This BCG-QED report examines how scaled Fintech are consolidating market leadership while AI-native disruptors emerge, highlighting trends in B2B infrastructure, lending, and decentralised/open finance.
- [Basel Committee – Voluntary Disclosure Framework for Climate-Related Financial Risks](#): This flexible, voluntary framework guides jurisdictions in disclosing banks' climate-related financial risks, combining qualitative and quantitative information.
- [Equifax – Q1 2025 Global Consumer Credit Trends](#): A quarterly report tracking economic indicators, credit demand, debt balances, and delinquency rates across 10 international markets to help businesses understand shifts in consumer credit behaviour.

- [BCG – The State of InsurTech 2024](#): This publication shows the sector evolving from rapid growth to disciplined, profitability-focused maturity, with funding slowing but scaling startups gaining momentum.
- [Visa - Transforming Global Payments: The Role of Tokenized Money & Funds in Cross-Border Transactions](#): The report shares early insights from Visa's collaboration in Hong Kong's e-HKD pilot.
- [CCAF – The APAC State of Open Banking and Open Finance](#): The report examines open banking frameworks across 16 Asia-Pacific jurisdictions, highlighting regional trends, governance approaches, regulatory progress, live data sharing performance, and key enablers like infrastructure and digital financial education.

## **Payments**

- [IMF – Global Cross-Border Payments: A \\$1 Quadrillion Evolving Market?](#): This IMF paper analyzes data showing cross-border payments nearing \$1 quadrillion in 2024, dominated by large transactions among advanced economies; traditional economic linkages remain key drivers despite rising crypto payment volumes.
- [Visa – Money Travels: 2025 Digital Remittances Adoption Report](#): This global consumer survey and market analysis examines how people in 20 countries send and receive cross-border payments.
- [Capgemini – World Payments Report 2025](#): The report offers an annual analysis of global payment trends, innovations, and market dynamics shaping the payments ecosystem. It provides strategic insights for stakeholders navigating rapid digital transformation.
- [IMF FinTech Note – Growing Retail Digital Payments](#): An analysis of how interoperability can drive adoption of retail digital payments, illustrated through evidence from India's UPI, with a framework to guide policymakers aiming to reduce cash reliance.

## **Artificial Intelligence, Digital Public Infrastructure (DPI), and New Technologies**

- [BIS – Project Hertha AI and Financial Crime Compliance](#): This report details experiments by the BIS and Bank of England using AI-driven payment system analytics to detect complex financial crime in real-time retail payments.
- [BSI – AI Systems in Finance Test Catalogue](#): This catalogue outlines practical criteria, methods, and tools to test AI systems used by financial institutions, supporting compliance with the EU AI Regulation and helping firms ensure secure and reliable AI deployment.
- [Trilegal – Approach Paper on the Regulation of Gen AI in India](#): This paper explores whether India needs a dedicated Gen AI law or adaptations to existing frameworks, and examines how liability should be addressed for inherently non-deterministic AI systems.
- [European Commission – Generative AI Outlook Report](#): This forward-looking report provides policymakers with anticipatory insights into GenAI's technological, economic, societal, and regulatory impacts, offering cross-sector analysis to inform strategies as the technology evolves.
- [Sardine.AI – Agentic Oversight Framework](#): This practical guide details how financial institutions can safely integrate agentic AI into compliance workflows. The report shares real-world lessons, results, and governance approaches from deploying AI agents in live KYC and sanctions operations.
- [Microsoft – Responsible AI Transparency Report 2025](#): A detailed account of how Microsoft governs, tests, deploys, and monitors its AI systems, outlining frameworks, safeguards, and transparency

practices across the Azure OpenAI ecosystem and proprietary models like Phi, with insights into red-teaming, disclosures, and future commitments to responsible innovation.

- [BCG – \(Gen\)AI in Payments: The Impact Is Real](#): A white paper that details how payments industry leaders are scaling AI and GenAI across workflows to drive efficiency, revenue, and customer experience, with examples of concrete applications and guidance for implementation.
- [Bank of Canada – On the Programmability and Uniformity of Digital Currencies](#): This paper analyses how programmability in digital currencies affects money's uniformity, liquidity, and welfare, using a theoretical model to weigh private benefits against social costs under different frictions.
- [IBM – Banking in the AI Era](#): A report that examines how financial institutions can harness AI for fraud prevention, personalization, and operational efficiency while managing emerging risks.
- [OECD – Sharing Trustworthy AI models with Privacy Enhancing Technologies](#): This report examines how PETs can support trustworthy AI development and sharing. It explores PET use cases such as secure data collaboration and confidential model co-creation, highlights benefits and limitations, and outlines policy options to promote PET adoption for responsible AI innovation.

## **Gender and Financial Inclusion**

- [UNDP – Driving Financial Inclusion Through Central Bank Digital Currencies](#): A guide that outlines regulatory, compliance, and operational risks of CBDCs and proposing mitigation strategies to promote inclusion, safeguard data, ensure interoperability, and manage environmental impacts.
- [CGAP – Competition as a Catalyst for Financial Inclusion](#): This blog analyzes how fostering healthy competition in banking and FinTech can expand access, lower costs, and drive innovation for underserved populations.
- [IFC – Case Study on Reverse Gender Gap in SME Finance](#): This study finds that women-owned SMEs in Bangladesh receive larger loans, longer tenures, and lower rates than male-owned firms, highlighting how institutional policies and targeted support are improving women's access to finance.
- [Dvara Research – Unpacking Customers' Trust](#): This study examines how Indian borrowers perceive, build, and assess trust in digital lenders. It develops a conceptual framework to explain the process by which customers (especially first-time and low-income borrowers) form judgments of trustworthiness in the expanding digital credit market.
- [Financial Action Task Force \(FATF\) – Financial Inclusion and Anti-Money Laundering and Terrorist Financing Measures](#): This updated guidance helps countries and financial institutions apply proportionate, risk-based controls to promote financial inclusion while tackling illicit finance.

## **The World Around**

- [Financial Conduct Authority \(FCA\) \(UK\) – Financial Crime Guide](#): Provides guidance for firms on preventing financial crime, covering governance, controls, monitoring, and fraud prevention, with self-assessment questions to strengthen compliance programs.
- [FCA \(UK\) Launches Supercharged AI Sandbox](#): The UK Financial Conduct Authority announced a new Supercharged Sandbox in partnership with NVIDIA to let financial firms safely experiment with AI using advanced computing and regulatory support.
- [MAS \(Singapore\) Digital Token Service Providers](#): MAS will require DTSPs serving only overseas clients to obtain licences by 30 Jun 2025, though licences will rarely be granted due to high AML risks; existing regulations for Singapore-focused providers remain unchanged.

- [The Data \(Use and Access\) Act 2025 \(UK\)](#): A landmark UK law comprehensively modernizing digital data rights, access, and governance across sectors. It introduces stronger privacy protections, clearer consent rules, broader data-sharing powers, and establishes a new Information Commission to oversee implementation.
- [European Banking Authority Review under EU Payment Accounts Directive \(2025\)](#): The report is a regulatory review assessing whether the standardised terms for payment account services under the PAD remain effective and up to date.

## FACE Forward

### Standards and Reports

- FACE released its [Annual Report for FY 24-25](#), outlining work across governance, membership, self-regulation, policy and regulatory engagement, research and development, and meaningful dialogue.



- FACE contributed to the second "[Future of Global FinTech Report: From Rapid Expansion to Sustainable Growth](#)" by the Cambridge Centre for Alternative Finance, Cambridge Judge Business School and the World Economic Forum. FACE members also participated in the global survey that informed this publication.
- FACE released its [FinTech Personal Loans Report \(Apr 2018–Mar 2025\)](#), analysing personal loan trends for 79 FinTech NBFCs primarily offering digital personal loans via their own digital lending apps.
- FACE released its [Guidelines on Penal Charges \(Jun 2025\)](#), providing a practical framework for digital lenders on levying bounce charges and penalties for non-payment or delayed payment. The guidelines promote reasonable, proportionate, and customer-informed penal charge practices in alignment with regulatory expectations.
- FACE released its [Standards Policy](#), which lays the framework for setting self-regulatory standards within FACE and the mandate and functioning of the FACE Standards Committee.
- FACE released its [RegTech Code of Conduct](#), which is a framework of guiding principles to help RegTech companies ensure responsible, transparent, and secure use of regulatory technologies.

### Webinars

- FACE held an exclusive webinar on API Setu in collaboration with NeGD, 13 Jun 2025.
- FACE hosted a webinar with TransUnion CIBIL on the [MSME Pulse Report](#), 11 Jun 2025.



- FACE hosted a webinar on [MSME lending](#) with Signzy, 18 Jun 2025.
- FACE hosted a webinar on [the rise and promise of MSMEs](#) with CRIF India, 24 Jun 2025.

## Membership

- FACE has reached 240+ members by the end of Q1 25-26. We're grateful to our members for their ongoing trust and support.
- You can learn more about FACE's membership, its eligibility, privileges, and fees [here](#).  
**To submit your interest in becoming a member of FACE, kindly fill in the form [here](#).**

## Members' Miles

- [Decentro Raises INR 30 Cr. in Series B Round to scale API banking and AI debt recovery.](#)
- [FatakPay launches 'FatakSecure' to simplify digital insurance for Bharat.](#)
- [Fibe: IFC considering USD 35 million investment.](#)
- [FinAGG Launches MSME Working Capital Credit Solutions on ONDC with FAME Score-Enabled Lending.](#)
- [Groww gets into corporate bond distribution, set to apply for SEBI licence.](#)
- [Groww-IPO-bound sees 3x jump in profit in FY25.](#)
- [InCred Money enters into retail broking with Stocko acquisition.](#)
- [Incred- Ahead of IPO, Zerodha founders invest INR 250 Cr..](#)
- [LeadSquared's Prashant Singh: We are working towards becoming IPO ready in the next 12-18 months.](#)
- [LoanTap Bags INR 74 Cr. to Bolster Supply Chain Financing.](#)
- [MobiKwik, Navi, Paytm, and PhonePe recognised and felicitated by the Hon'ble Finance Minister, Smt. Nirmala Sitharaman at the Digital Payments Awards 2024-25.](#)
- [PhonePe expands UPI payments to feature phone users.](#)
- [PhonePe eyes USD 1.5 billion IPO, draft papers likely by early August.](#)
- [Razorpay enters consumer UPI space with USD 30 million investment in POP.](#)

## Events

- FACE participated as FinTech SRO Partner at the [Bharat Collection Summit & Awards 2025](#), 12 Jun 2025, The Lalit, Mumbai.
- FACE participated as FinTech SRO Partner at the [3rd Edition Credit & Collections Summit & Awards India 2025](#), 17-18 Jun 2025, The Leela, Mumbai.
- FACE participated as Supporting Association Partner at the [ET Edge NBFC Leadership Conclave](#), 19 Jun 2025, Mumbai.
- FACE participated as Supporting Association Partner at the [ET Edge DataCon Summit & Awards](#), 24 Jun 2025, Mumbai.
- FACE participated as FinTech SRO Partner at [Digital Dot Rural 2025](#), 27 Jun 2025, New Delhi.
- FACE is participating as Institutional Partner at the CII Financial Inclusion and FinTech Summit, 7 Jul 2025, New Delhi.
- FACE is co-hosting an invite-only event on [Unlocking the Future of Finance with Agentic AI](#) with gnani.ai and E2E Cloud, 11 Jul 2025, Bengaluru.
- FACE is participating as Industry Partner at the [4th MENA FinTech Festival](#), 2-3 Dec 2025, Doha.

For more event details or partnership queries, connect at [communications@faceofindia.org](mailto:communications@faceofindia.org).