



The RBI-recognised Self-Regulatory Organization in the FinTech sector (SRO-FT)



CUBE

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CUBE: Your Insight into FinTech Ecosystem

Hello from FACE, the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT). We present the fourteenth 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.

Rulemaking

Reserve Bank of India (RBI)

- [RBI Invites Public Comments on Draft KYC Circular](#) The Reserve Bank of India has released a draft circular on the 'Updation/ Periodic Updation of KYC– Revised Instructions' and is seeking public feedback to enhance the KYC process.
- [RBI Digital Lending Directions, 2025 \(May 8, 2025\)](#) The Reserve Bank of India issued comprehensive guidelines consolidating and updating rules for digital lending by banks and NBFCs. These directions supersede earlier digital lending guidelines (2022) and default loss

guarantee norms (2023), aiming to enhance transparency, borrower protection, and oversight of digital lending platforms.

- [Draft Guidelines on Investment in Alternative Investment Funds \(AIFs\) \(May 19, 2025\)](#) The RBI released draft guidelines proposing revised norms for investments in Alternative Investment Funds (AIFs) by regulated entities, including banks, co-operative banks, AIFIs, and NBFCs. The draft refines restrictions introduced in 2023. It invites public feedback on easing some limits while maintaining safeguards.
- [Framework for Formulation of Regulations \(May 7, 2025\)](#) The RBI unveiled a new framework for making and amending regulations, introducing standardized rule-making procedures, including public consultation, impact analysis, and periodic review. This framework aims to improve transparency and stakeholder participation in RBI's regulatory process.

Securities and Exchange Board of India (SEBI)

- [Accessibility and Inclusiveness of Digital KYC to Persons with Disabilities \(May 23, 2025\)](#) SEBI issued a circular directing all regulated intermediaries to make their online KYC (Know Your Customer) processes accessible to persons with disabilities. This move mandates adopting assistive features, such as support during video KYC, ensuring that differently-abled customers can complete KYC digitally with equal ease.

National Payments Corporation of India (NPCI)

- [Circular on NACH Mandate Cancellations](#) NPCI released updated procedural guidelines under NACH, extending the timeline for providing mandate cancellation facilities to customers.
- [Circular on Handling Deemed Approval in UPI P2M](#) NPCI issued operational guidance on managing 'Deemed Approval' status in UPI for Person-to-Merchant transactions.
- [Guidelines on UPI API Usage](#) NPCI issued detailed guidelines on the usage of UPI APIs, outlining protocols and controls for ecosystem participants.

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

- [Introduction of Financial Fraud Risk Indicator \(FRI\)](#) DoT introduced the Financial Fraud Risk Indicator (FRI) for strengthening cyber fraud prevention.

UIDAI

- [UIDAI Shares Non-Personal Aadhaar Dashboard Data](#) UIDAI has begun publishing anonymised Aadhaar dashboard data for public access to promote transparency and research on the open government data platform, data.gov.in.

Judicial Developments

- [Supreme Court Ruling on Digital Accessibility \(May 2025\)](#) The Supreme Court of India declared digital access a fundamental right under Article 21 of the Constitution, emphasizing its

importance for life and liberty. The court issued directives to simplify the KYC process for persons with disabilities ensuring inclusivity.

Must-Reads

- [RBI Annual Report 2024–25 Released](#) The Reserve Bank of India has published its Annual Report for the financial year 2024–25, providing insights into the country's monetary policy, financial stability, and regulatory initiatives.

FinTech and Banking

- [Understanding the Indian MSME Sector: Progress & Challenges](#): A detailed analysis from SIDBI covering MSME financing evolution, structural gaps, and digital enablement strategies.
- [BCG NBFC Sector Roundup – FY25](#): This report analyzes the performance of India's Non-Banking Financial Companies (NBFCs), noting trends in loan growth, asset quality, and the adoption of technologies like embedded finance and generative AI. It also discusses the increasing role of regtech in compliance and risk management.
- [Dvara 'In-App GRM for UPI' Report](#): This study examines the effectiveness of grievance redress mechanisms within UPI applications, focusing on user experience, especially for digitally constrained users. It provides recommendations to enhance the accessibility and responsiveness of in-app support systems.

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

- [AI in Banking: Implications and Outlook](#): This report explores the integration of AI in banking, highlighting its role in fraud detection, risk assessment, and customer service enhancement. It underscores the importance of responsible AI deployment to improve compliance and customer journeys.
- [Quantum Hub: DPI Research Review](#): This report synthesizes academic and policy research on India's DPI ecosystem, identifying evidence gaps and advocating for greater public access to disaggregated data to inform policy and innovation.

Gender and Financial Inclusion

- [CGAP Guidelines to Adopt a Gender Perspective in Financial Institutions](#): A practical framework for financial institutions to integrate gender-inclusive design into their operations, aiming to advance women's financial inclusion by addressing gender biases and promoting inclusive product development.

Cybersecurity & Privacy

- [World Bank: Cybersecurity Economics for Emerging Markets](#): This publication analyzes the economic impact of cyber incidents in developing countries, offering insights into budgeting

strategies and incentives to strengthen cyber resilience. It emphasizes the importance of cybersecurity in fostering digital trust and economic growth.

The World Around

- [MAS sets up Corporate Governance Advisory Committee](#): Singapore's MAS has initiated a review of its Code of Corporate Governance to address emerging risks, including those related to artificial intelligence. The review aims to strengthen corporate governance practices among listed companies in Singapore.
- [UAE FinTech Revolution: From Code to Capital](#): The UAE's fintech sector has seen significant growth, with the market valued at approximately US\$3.16 billion in 2024. Strategic government support, progressive regulations, and a vibrant innovation ecosystem have positioned the UAE, particularly Dubai, as a leading global fintech hub.

FACE Forward

- FACE engaged on a range of regulatory and policy issues around Digital Lending, Payments, KYC and DPLs.
- Continued work on the Responsible AI in Digital Lending tool in partnership with Dvara and PwC. The tool can be accessed [here](#). More information available [here](#).
- FACE Compliance Tracker: FACE continues to monitor RBI's enforcement actions against Banks and NBFCs. As a follow-up to the initial compliance report ["A Compilation of RBI Penal and Enforcement Actions in FY 2024–25" \(released on 11 Apr 2025\)](#), FACE is now maintaining a monthly tracker exclusively for members to keep them updated on new regulatory penalties and supervisory actions.

FACE co-hosts Data Unlocked: Winning in Lending with Smart, Real-Time Insights



FACE, in collaboration with [Sahamati](#), successfully co-hosted [Data Unlocked: Winning in Lending with Smart, Real-Time Insights](#) on 27 May 2025 in Mumbai. The event brought together thought leaders, and practitioners to explore how cutting-edge data tools are reshaping credit access and risk intelligence across the FinTech ecosystem.

The event opened with a fireside chat featuring Shri Prakash Kumar, Deputy Managing Director at SIDBI, in conversation with Shallu Kaushik, Chief Digital Officer at Tata Capital, focusing on the role of data infrastructure in scaling inclusive credit delivery. This was followed by a panel discussion on “Lending Transformed – Real-World Wins with Data-Driven Credit,” moderated by Beni Chugh of Dvara Research, with insights from senior leaders at ICICI Bank, Kishit, and TransUnion CIBIL.

As part of the innovation showcase:

- Ignosis, LoanTap, and Navanc presented their solutions in onboarding.
- Finarkein, TimbleTech, and Bureau presented their solutions in risk.
- Spocto X and Data Sutram presented their solutions in collections.
- Accion presented their Capacity-to-Pay Model based on probabilistic cash flow modelling tailored for informal and low-income borrowers.

The event saw attendance by more than a hundred representatives and provided FACE members with actionable insights on how data innovations—from onboarding to underwriting to collections—are enabling more responsible and scalable digital lending, while also creating a valuable networking platform for institutions across the FinTech ecosystem.

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- Launch of CIBIL Jaagran Campaign: [FACE and TransUnion CIBIL rolled out a co-branded consumer credit awareness campaign](#) focused on responsible borrowing, particularly for new-to-credit customers. Members can download the creative assets and promote the initiative via apps, emails, and social channels.
 - Standards Committee: FACE has announced the formation of its Standards Committee, aimed at establishing standards and compliance frameworks for the fintech industry. The committee comprises:



- Oversight & Enforcement Committee: In a move to strengthen its governance framework, FACE has set up an Oversight & Enforcement Committee responsible for monitoring compliance and enforcing regulatory standards among its members. The committee includes:



Standards and Reports

- FACE has released its [board-approved Guidelines on Cybersecurity Measures](#), offering structured recommendations to help FinTechs strengthen their cybersecurity posture. The guidelines draw upon advisories issued by government and regulatory bodies, as well as member inputs.

Webinars

- FACE hosted a webinar with TransUnion CIBIL on [standardising data formats](#), 5 May 2025.
- FACE co-hosted a [knowledge session on Cybersecurity](#) in FinTech with AWS, 15 May 2025.
- FACE conducted a session on [KFS implementation](#) in collaboration with Leegality, 21 May 2025.

Member's Miles

- [4Fin launches SME Credit Quotient \(SCQ\) platform](#) for intelligent borrower assessment.
- [Alt DRX Raises \\$2.7 Million in New Funding Round](#)
- [Credit Saison Secures \\$150 Million ECB Funding](#)
- [Data Sutram Raises \\$9 Million from B Capital and Lightspeed](#)
- [Fibe Launches Digital Fixed Deposits](#)
- [GnaniAI to Develop Foundation AI Models](#) under the IndiaAI mission.
- [Groww Files for IPO, Targets \\$700 Million – \\$1Billion Listing](#)
- [InCred Finance's FY25 Profit Increases by 18%](#)
- [PayG launches INSPIRE in Collaboration with ONDC and Elite Global Links Foundation](#)
- [PayU Receives Final RBI Approval for Online Payments](#)
- [PB Fintech Reports 448% Rise in FY25 Net Profit](#)
- [Pine Labs Prepares for IPO, Implements Board Changes](#)
- [Quid Surpasses 5 Million Users Within a Year](#)
- [Signzy Recognized Among Top 50 Global FCC Tech Providers](#)
- [Stable Money Secures \\$20 Million in Series B Funding](#)

Events

- FACE participated as Association Partner at the [Dubai FinTech Summit](#), 12–13 May 2025, Dubai.
- FACE participated as Co-host of the in-person event Data Unlocked: Winning in Lending with Smart, Real-Time Insights, 27 May 2025, Mumbai.
- FACE participated in the RBI Finteract – April Edition, 30 May 2025, Jaipur.
- FACE is participating as FinTech SRO Partner at the [Bharat Collection Summit & Awards 2025](#), 12 June 2025, The Lalit, Mumbai.
- FACE is participating as FinTech SRO Partner at the [3rd Edition Credit & Collections Summit & Awards India 2025](#), 17–18 June 2025, The Leela, Mumbai.
- FACE is participating as Supporting Association Partner at the [ET Edge NBFC Leadership Conclave](#), 19 Jun 2025, Mumbai.
- FACE is participating as Supporting Association Partner at the [ET Edge DataCon Summit & Awards](#), 24 Jun 2025, Mumbai.
- FACE is participating 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 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