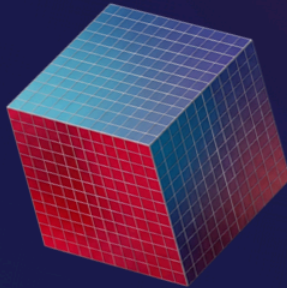




The RBI-recognised Self-Regulatory Organisation  
in the FinTech Sector (SRO-FT)



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**Issue 27**  
Jul 2026

### Issue 27 CUBE: Your Insight into FinTech Ecosystem

Hello from FACE, the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT) and India's largest FinTech association. We present the twenty-seventh edition of Cube, our continuing effort to curate and contextualise the most relevant developments shaping India's FinTech ecosystem, alongside key global regulatory, policy, and industry trends. This edition brings together updates, insights, and reference materials that matter to the ecosystem, with direct links to source documents to enable deeper engagement.

As always, we value your perspectives and invite you to share your inputs and feedback on Cube at [communications@faceofindia.org](mailto:communications@faceofindia.org).

### Rulemaking

#### Reserve Bank of India (RBI)

- [Draft Amendments on Harmonisation and Consolidation of Instructions on Control / Assurance Functions \(10 June 2026\)](#): The RBI has released draft amendments to streamline and harmonise governance rules on control and assurance functions across all REs.
- [Amendment Directions - 'Advertising, Marketing and Sale of Financial Products and Services by REs' \(15 June 2026\)](#): The RBI issued final rules to regulate how REs advertise, market, and sell financial products, aiming to curb mis-selling, misleading promotions, and unfair sales practices (effective January 1, 2027).
- [Master Directions - Authorisation to operate a Payment System \(15 June 2026\)](#): The RBI has issued a single, consolidated MD on authorisation to operate payment systems, simplifying and streamlining existing rules for payment system operators.

- [Final directions - Trade Receivables Discounting System \(TReDS\) \(23 June 2026\)](#): The RBI announced the final regulatory framework for the Trade Receivables Discounting System (TReDS), an online platform where MSMEs can convert unpaid invoices into immediate cash.
- [Draft Guidance on Regulatory Principles for Model Risk Management \(24 June 2026\)](#): The RBI released draft regulatory principles for model risk management, seeking public feedback on a framework to ensure the safe, transparent, and accountable use of AI/ML and other models by REs.
- [Amendment Directions - 'Review of methodology for identification of NBFC-UL and inclusion of Government owned NBFCs in NBFC-UL' and 'Credit/Investment Concentration Norms – Government owned NBFCs' \(24 June 2026\)](#): The RBI amended NBFC regulations by revising the criteria for identifying upper-layer NBFCs, bringing eligible government-owned NBFCs under the framework, and updating concentration risk, governance, and disclosure norms.
- [Amendment Directions - 'Review of Framework of Limiting Customer Liability in Digital Transactions' \(24 June 2026\)](#): The RBI strengthened customer protection in digital banking by expanding liability coverage for electronic fraud, speeding up complaint resolution, and introducing compensation for small-value fraudulent transactions (effective 1 January 2027).
- [Financial Stability Report, June 2026 \(30 June 2026\)](#): The RBI released its June 2026 Financial Stability Report, assessing the resilience of India's financial system and highlighting that banks and NBFCs remain strong despite ongoing global economic risks.

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

- [Addendum - Mandatory Brand Guidelines for BHIM UPI Merchant QR \(5 June 2026\)](#): NPCI updated the mandatory BHIM UPI Merchant QR branding guidelines to standardize the customer QR-scanning experience, requiring all new and replaced merchant QR codes from 1 Dec 2026 to comply with the revised design and obtain NPCI approval before implementation.
- [Safeguarding User Information in UPI \(5 June 2026\)](#): NPCI directed all UPI member banks and apps to strengthen user privacy by masking UPI IDs, mobile numbers, and account numbers on customer-facing interfaces and enabling non-mobile-number-based UPI IDs by 4 Sept 2026.

#### **Must-Reads**

##### **FinTech, Banking, and Credit**

- [FT Partners & BCG - Global FinTech Report 2026](#): The report finds that global fintech has rebounded strongly, with revenues surpassing USD 500 billion in 2025 after 22% annual growth, driven by improving profitability, AI adoption, and more selective investment.
- [Deloitte - State of Financial Services in India Report](#): The report finds that India's financial services sector has achieved strong digital and market expansion but must deepen credit access, strengthen debt markets, modernise financial infrastructure, and expand financial inclusion to support its long-term economic growth ambitions. It that India's financial services sector has grown rapidly, but with only 14% of MSMEs and 15% of adults accessing formal credit.
- [University of Cambridge - Competition in Digital Financial Services](#): The report finds that promoting competition in digital financial services through interoperable infrastructure, proportionate regulation, open access, and targeted policy interventions can expand financial inclusion, attract private capital, and foster innovation in emerging economies.
- [Sahamati - Cross-Sectoral Report FY26](#): The report highlights how India's Account Aggregator ecosystem is accelerating open finance by enabling secure, consent-based data sharing that

delivered nearly 3.8 crore financial services across lending, insurance, capital markets, and personal finance in FY26.

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

- [Supreme Court of India - Draft Regulations for Use of Artificial Intelligence in Courts](#): The white paper finds that AI can significantly improve judicial efficiency through research, translation, transcription, and case management, but its use must remain subject to human oversight, ethical safeguards, and strict verification to protect the integrity of justice.
- [Financial Stability Board \(FSB\) - Sound Practices for Responsible Adoption of AI](#): The report sets out global sound practices for the responsible adoption of Artificial Intelligence (AI) in financial services, emphasizing strong governance, risk management, third-party oversight, and regulatory cooperation to safeguard financial stability.
- [The World Bank Group Bank - Convergence of User-Centric Digital Identity, Data Sharing and Payments](#): The report examines how Digital Public Infrastructure (DPI), including digital identity, digital payments, and data-sharing systems, can drive inclusive economic development while emphasizing the need for strong governance, interoperability, privacy, and public trust.
- [Hong Kong Institute for Monetary and Financial Research \(HKIMR\) – Governing AI in Finance](#): The paper argues that effective AI governance in finance requires a human-in-the-loop approach, making financial institutions and individuals accountable for AI-driven decisions while addressing risks from opaque algorithms, bias, and systemic instability.
- [University of Cambridge - Handbook of The Law, Ethics and Policy of Artificial Intelligence](#): This handbook provides a comprehensive overview of the legal, ethical, and policy challenges of artificial intelligence, examining its governance, regulation, and societal impact across sectors such as finance, healthcare, education, and law enforcement, with a particular focus on Europe.
- [World Economic Forum - AI for Impact](#): The report examines how AI is being used for social innovation across Asia, highlighting that scaling its impact requires stronger governance, data infrastructure, financing, and institutional capacity, not just advanced technology.
- [Hong Kong Monetary Authority \(HKMA\) - Supporting AI Adoption in Fighting Financial Crime](#): The circular outlines the HKMA's updated regulatory guidance for strengthening banks' operational resilience and risk management to ensure the continuity of critical financial services amid disruptions and cyber threats.
- [International Organization of Securities Commissions \(IOSCO\) - "SupTech: Mapping the Use of Technology in Financial Supervision"](#): The report surveys 49 jurisdictions to examine how securities regulators are adopting supervisory technology (SupTech), including AI, data analytics, and cloud tools, to improve market oversight, investor protection, and regulatory efficiency while addressing cybersecurity, funding, and skills challenges.
- [World Economic Forum & PwC - Artificial Intelligence and the Future of Entry Level Work 2026](#): The report examines how AI is transforming entry-level jobs and proposes a framework to help employers, educators, and policymakers redesign early-career pathways while protecting access to work and future talent development.

### **Financial Inclusion & Customer Protection**

- [Cambridge Judge Business School - Enabling Open Finance in EMDEs: Incentives, Liability, and Performance Measurement](#): The report examines how emerging markets can build sustainable open finance ecosystems by designing effective incentives, liability frameworks, and

performance measurement systems to promote innovation, competition, and financial inclusion.

- [International Chamber of Commerce \(ICC\) / Global Anti Scams Alliance \(GASA\) - Best Practices for Combating Scams in Advertising](#): The report provides a global best-practice framework for preventing scam advertising through risk-based advertiser verification, AI-assisted monitoring, transparency, human oversight, and cross-sector collaboration to protect consumers and strengthen trust in digital advertising.
- [Meta - Leading Tech Companies and Law Enforcement Join Forces to Disrupt Criminal Scam Networks in Southeast Asia](#): The announcement highlights a coordinated operation in which major technology companies and international law enforcement disrupted Southeast Asian scam networks by removing over 1.4 Mn scam-linked accounts, freezing millions in cryptocurrency, and supporting arrests to combat transnational online fraud.
- [KPMG & FICCI - Next Gen Forensic- The New Age of Fraud Investigation](#): The report finds that fraud has evolved into a sophisticated, AI-enabled and cross-border ecosystem, requiring organisations to adopt intelligence-led, next-generation forensic capabilities instead of traditional reactive investigations.

## FACE Forward

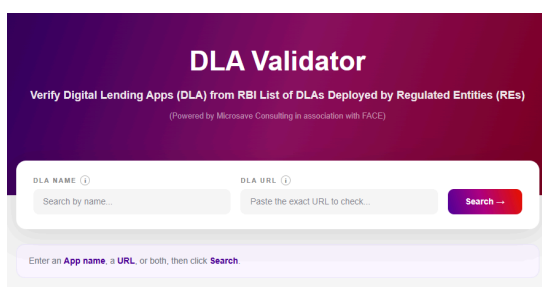
### Ecosystem Development & Engagements

- [FACE x GIFT IFI – Strategic Collaboration](#): FACE entered into a strategic collaboration with GIFT International FinTech Institute to support industry-fit learning, training, research, thought leadership and knowledge exchange. The collaboration will focus on emerging capabilities across digital lending, payments, embedded finance, AI, cybersecurity, data protection, compliance and risk management.



- [FACE – DLA Validator on FACE Website](#): FACE has developed a DLA Validator using the RBI List of Digital Lending Apps deployed by Regulated Entities and made it available on the FACE website. The tool enables consumers, law enforcement agencies, and other stakeholders to check whether a lending app appears on the RBI DLA List, improving accessibility, transparency, and consumer awareness in digital lending. The data refreshes automatically every day by 10:00 AM.

Access the DLA Validator here: <https://faceofindia.org/consumer-corner/dla-validator/>



- [FACE x NABARD – MoU for Digital Financial Inclusion](#): FACE and NABARD signed a Memorandum of Understanding to collaborate on expanding digital financial inclusion, particularly for rural segments. The collaboration will focus on financial education tailored to emerging opportunities and risks in digital financial services, along with knowledge exchange, capacity building, research, and stakeholder consultations within the NABARD ecosystem to support responsible FinTech innovation in rural finance.



## Membership

- FACE has reached another milestone, it now comprises **400 members**, making us the Largest FinTech Association in the country. 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](#).**

## Webinars

- FACE hosted a webinar with Khaitan & Co LLP and CADRE ODR on [Arbitration in Financial Services: Legal Position, Recent Ruling and Practical Solutions](#), 2 June 2026.
- FACE hosted a webinar with Lark Finserv Pvt Ltd on [its API-first platform for Loan Against Securities and Loan Against Mutual Funds](#), 3 June 2026.
- FACE hosted a webinar with Leegality on [How should an RBI-compliant digital lending flow look](#), 10 June 2026.
- FACE hosted a webinar with Experian India on [Gold Loans in Transition: Market Evolution & Consumer Patterns](#), 16 June 2026.
- FACE hosted a webinar with Decentro on [Mobile Number Based Onboarding Journey](#), 17 June 2026.
- FACE hosted a webinar with IGNOSIS AI on [Collections AI — How Multi-Agent AI is Transforming Collections Success](#), 24 June 2026.

- FACE hosted a webinar with Khaitan & Co. on [RBI's Responsible Business Conduct 2.0: Navigating the New Standards for Financial Services](#), 25 June 2026.

### Members' Miles

- [BharatPe launches credit-on-UPI facility in partnership with YES Bank](#)
- [Cashfree Payments enables UPI acceptance for merchants in 40 markets](#)
- [CRED launches 'Cash by CRED': Key features of the new credit and lending app](#)
- [CRED - Meta invests USD 900 Mn; Kunal Shah to lead WhatsApp globally](#)
- [InCred Money gets Sebi in-principle nod for mutual fund licence, plans launch in 6-9 months](#)
- [Northern Arc Capital, Yes Bank partner to expand lending and investment access](#)
- [OnGrid Acquires Ancora Technologies to Unite Verification and Distribution Across India's BFSI Ecosystem](#)
- [PayU reported EBITDA profitability, revenue grew 11% to USD 781 Mn](#)
- [PayU CPO Manas Mishra – "Agent marketplace one of our large bets"](#)
- [PhonePe leads as India tops global digital wallet downloads,](#)
- [PhonePe launches AI tool to help merchants build payment pages in minutes](#)
- [Pine Labs sees strong growth ahead as EMI business and overseas markets gain traction](#)
- [Quid marks two years of redefining credit access with AI, surpasses 10 Mn users](#)
- [Viyona Fintech gets NPCI Bharat BillPay certification as a BOU](#)
- [Zerodha, Groww, Angel One, Upstox get Gift City nod to offer US stocks to Indian investors](#)

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