Issue 28 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-eighth 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.

Rulemaking

Reserve Bank of India (RBI)

- Draft Guidance on Regulatory Expectations for Data Governance (15 Jul 2026): The RBI released a draft Guidance outlining regulatory expectations for data governance across REs. The Guidance sets out principles for governance, data architecture, metadata and lineage, data quality, and third-party data sharing arrangements to strengthen data management throughout the data lifecycle. Public comments have been invited until 17 August 2026.
- Prudential Norms on Specified Non-Financial Assets (SNFA) (16 Jul 2026): The RBI issued final Directions on prudential norms governing the acquisition and holding of SNFAs by REs. The final Amendments require NBFCs to reverse any unrealised pre-acquisition interest recognised on SNFAs and to recognise income from SNFAs only upon realisation as non-interest/other income.

- Draft Amendment Directions – Securitisation Transactions (27 Jul 2026): The RBI issued draft Amendment Directions to improve the efficiency, liquidity, and transparency of the issuance and secondary transfer of Securitisation Notes (SNs). Public comments on the draft Directions have been invited until 27 August 2026.
- Consolidated Supervisory Master Directions (31 Jul 2026): The RBI issued 64 consolidated Master Directions, bringing together 628 existing supervisory circulars into a function-wise, entity-specific framework covering 11 categories of REs.

Central KYC Records Registry (CKYCRR)

- CKYCRR 2.0 Go-live preparedness for REs (29 Jul 2026): CKYCRR announced that CKYCRR 2.0 is tentatively scheduled to go live in August 2026, with the migration of REs to commence in a phased manner following completion of ongoing audits. The notification also outlines the migration process, onboarding requirements, and preparations expected from REs.

National Payments Corporation of India (NPCI)

- Enhancement of Transaction Limit for On-Device Biometric Authentication in UPI (3 Jul 2026): NPCI increased the per-transaction limit for On-Device Biometric Authentication (e.g., fingerprint and face authentication) in UPI from INR 5,000 to INR 10,000, effective 7 August 2026.
- Revised Turnaround Time for UPI Fraud and Wrong Credit Chargebacks (16 Jul 2026): NPCI reduced the response turnaround time (TAT) for Fraud and Wrong Credit chargebacks in the UPI URCS back-office system from 35 calendar days to 15 calendar days, effective 1 August 2026.
- Addendum on Numeric UPI ID Resolution (30 Jul 2026): The circular requires banks, PSPs, and UPI applications to regularly update the Numeric UPI ID Mapper using the Mobile Number Revocation List (MNRL)/Digital Intelligence Platform (DIP), and clarifies that liability for disputes arising from failure to update the mapper rests with the PSP and UPI application.

Must-Reads

FinTech, Banking, and Credit

- RBI – Handbook of Statistics on the Indian Economy 2025–26: The 28th edition of the Handbook provides updated time-series data on key macroeconomic and financial indicators, including national income, prices, money, banking, financial markets, public finances, foreign trade, balance of payments, and socio-economic indicators.
- TransUnion CIBIL – FinTech Compass – July 2026: The report finds that fintech lenders continue to expand their share of retail credit originations, accounting for around 25% of origination volumes, with growth extending beyond small-ticket personal loans into higher-value personal, business, and property lending.
- World Bank – Fast Payment Systems as Macroeconomic Infrastructures (Part I): Liquidity and Information Acceleration for Inclusive Growth: The paper argues that fast payment systems (FPS) have the potential to generate broader macroeconomic benefits by accelerating the flow of money and information across the economy. It proposes that, under the right enabling conditions, FPS could improve money velocity, credit availability, fiscal efficiency, business productivity, and financial inclusion.

- Bank for International Settlements (BIS) – Competition in Retail Digital Payments: The bulletin highlights that emerging markets such as India (UPI) and Brazil (Pix) have driven digital payment adoption through interoperable account-to-account (A2A) payment infrastructure rather than card networks. It identifies interoperability-by-design, public digital infrastructure, and the central bank's dual role as regulator and enabler as key factors underpinning India's success.
- Institute for Monetary and Financial Stability – The paper develops a multidimensional framework to quantify the societal value of cash beyond its costs, assessing its contribution across five dimensions (resilience, privacy, financial inclusion, cost control, and competition) alongside consumer surplus from seigniorage. Applying the framework to Germany, the authors estimate the societal value of cash at around 1.2% of GDP.

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

- MeitY, CERT-In, CSIRT-Fin and SISA – Digital Threat Report 2025–26 for India's BFSI Sector: The report examines the evolving cyber-threat landscape across banking, financial services, insurance, and payments, with particular attention to AI-enabled phishing, malware, social engineering, ransomware, credential theft, cloud vulnerabilities, and supply-chain risks. It recommends stronger Zero Trust controls, phishing-resistant multi-factor authentication, privileged-access management, continuous monitoring, AI-enabled detection, incident preparedness, and sector-wide threat-intelligence collaboration.
- UN Independent International Scientific Panel on AI – Preliminary Report: The report highlights widening disparities in AI development and access across countries, underscores the absence of robust mechanisms to reliably govern highly autonomous AI systems, and calls for globally coordinated, evidence-based AI governance, stronger evaluation and oversight frameworks, and greater investment in technical capacity to ensure that AI benefits are equitably distributed while mitigating systemic risks.
- Alan Turing Institute – AI Governance Around the World: Country Profile – China: The report examines China's AI governance framework, noting that China has introduced stringent rules for high-risk AI applications (including recommendation algorithms, generative AI ("deep synthesis") technologies, and anthropomorphic AI services) while allowing greater flexibility for lower-risk innovation.
- FCA – AI and the Future of Retail Financial Services (The Mills Review): The review examines how AI could transform retail financial services by 2030, highlighting a shift towards AI-enabled, autonomous financial decision-making. The review recommends seven priority actions for the FCA, including adapting the regulatory perimeter, strengthening AI oversight, expanding the FCA's AI Lab, and enabling the development of trusted agentic financial services.
- Stanford Cyber Policy Center – Regulating Under Uncertainty: Governance Options for Generative AI: The report provides a comparative assessment of emerging AI governance frameworks, highlighting a spectrum of regulatory approaches ranging from the United States' market-led model to China's command-and-control framework and the European Union's risk-based co-regulatory approach.

- CGAP – AI-Powered SupTech for Financial Inclusion: The report highlights that AI-powered supervisory technology (SupTech) remains significantly less prevalent among financial sector authorities in emerging markets and developing economies (EMDEs) than in advanced economies, despite its potential to enhance supervisory effectiveness, reduce compliance costs, and advance financial inclusion.
- OECD – AI and Open Finance: The paper examines the need to balance the benefits of AI-enabled, data-driven financial services with considerations relating to privacy, accountability, consumer protection, and competition, and explores the future implications of agentic AI operating within increasingly interconnected Open Finance ecosystems.
- BIS – A Mythos Moment? Frontier AI and Cyber Risk: The bulletin highlights that future systemic cyber risk will depend on access to frontier AI models, compute resources, and economic incentives, and calls for the rapid adoption of AI for vulnerability detection and code review, alongside greater international coordination to strengthen cyber resilience.
- HM Treasury (UK) – Financial Services AI Adoption Plan: The plan sets out recommendations to accelerate the adoption of AI across the UK's financial services sector, including clearer regulatory coordination, a review of AI-generated financial guidance, standardised AI disclosures, strengthened oversight of critical AI and cloud providers, AI incident-sharing mechanisms, AI assurance frameworks, workforce upskilling, attraction of global AI talent, and the development of a trust framework to support agentic payments.
- Deutsche Bank – Open-Source AI 101: The Battle for the Future of AI: The report examines the growing competition between open-source and proprietary AI models, arguing that open-source AI is reshaping the competitive landscape by lowering barriers to innovation, accelerating adoption, and reducing dependence on a small number of frontier model providers. It also highlights the trade-offs between openness and security.
- FINMA – Guidance on Quantum Computing: The guidance outlines the cybersecurity risks that cryptographically relevant quantum computers pose to the financial sector and finds that, while Swiss financial institutions recognise these risks, many lack a clear roadmap for migrating to quantum-safe encryption. FINMA recommends that institutions adopt a quantum migration strategy, conduct institution-specific risk assessments, maintain a cryptographic inventory, and transition towards crypto-agility.
- Stanford HAI – The Commercial Landscape of AI Sovereignty Offerings: The brief examines the rapidly expanding market for AI sovereignty solutions, finding that while major AI providers offer products to strengthen domestic control over AI infrastructure, data, and model deployment, these solutions often reconfigure rather than eliminate reliance on foreign technology providers.
- Bretton Woods Committee – GenAI and the Transformation of Risk Management & Compliance: The paper examines how GenAI can enhance risk management and compliance functions by improving analysis, decision support, and operational efficiency in areas such as AML, fraud detection, and regulatory compliance.
- BIS – The AI Investment Race: The paper argues that intense competition among AI firms in a winner-take-most market may lead to socially excessive investment, with firms investing around 50% above the efficient level under baseline assumptions. It highlights that debt financing, specialised AI infrastructure, and interconnected financial exposures could amplify

financial fragility, making the sector vulnerable to boom-bust cycles and systemic contagion if expected productivity gains fail to materialise or a major AI firm experiences distress.

FACE Forward

Events

- FACE & GIFT International Fintech Institute (GIFT IFI) jointly convened an industry roundtable on “Skill and Talent in the FinTech Sector”, hosted at the Reserve Bank Innovation Hub (RBIH), Bengaluru on 21 Jul 2026. The roundtable saw meaningful participation from across the FinTech ecosystem, resulting in an open and substantive discussion on the sector’s current and emerging talent requirements.

Research and Publications

- FACE & Grant Thornton Bharat released the Fintech Barometer 2026. The report finds that reputation and brand risk is the foremost concern for fintech firms, followed by interoperability and infrastructure risk, reflecting a growing emphasis on trust, resilience, and governance. It also identifies market conduct, data privacy, regulatory compliance, cybersecurity, and financial crime as key risk areas, while AI/ML and model risk ranks comparatively lower, indicating that advanced AI adoption and governance frameworks remain at an early stage across the sector.
- FACE released its Guidelines on DLG Disclosure. The guidelines establish a standardised format and process for monthly disclosure of Default Loss Guarantee (DLG) portfolios by LSPs. They

aim to promote consistent regulatory compliance, enable automated and comparable disclosures across the industry, and improve transparency regarding DLG arrangements in digital lending.

Membership

- FACE has over 400 members as of Aug 2026, retaining the spot as **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 Spotlight webinar with Digio.in on CoTrust, its privacy and consent management platform, 1 Jul 2026.
- FACE hosted a webinar with Shardul Amarchand Mangaldas & Co. on Responsible AI Governance for Finance, 9 Jul 2026.
- FACE hosted a Spotlight webinar with Aiwize Labs on its DPDP Consent Management platform with Data Discovery, 15 Jul 2026.
- FACE hosted a FACE Forward webinar with Ikigai Law on India's KYC Framework: Recent Shifts and the Road Ahead, 16 Jul 2026.
- FACE hosted a Spotlight webinar with Surepass Technologies on its SDK, DeepID, 22 Jul 2026.
- FACE hosted a Spotlight webinar with VealthX on Account Aggregator FIU infrastructure, wealth discovery, credit intelligence, and digital succession planning, 29 Jul 2026.

Upcoming Ecosystem Programmes

- 37th BFSI IT Summit India (6 Aug 2026): FACE is supporting the Mumbai summit as the FinTech SRO Partner. The summit will focus on intelligence, integrity, innovation, and emerging technology priorities across the BFSI sector.
- CII Financial Inclusion 2.0 and FinTech Summit (20 Aug 2026): FACE is supporting the fourth edition of the summit as an Institutional Partner. The programme will examine the next phase of financial inclusion, digital public infrastructure, artificial intelligence, and technology-enabled financial empowerment.
- Silk Road Finance & Technology Forum 2026 (24–26 Aug 2026): FACE has joined the Tashkent forum as a Community Partner. Co-organised by the Central Bank of the Republic of Uzbekistan and the Global Finance & Technology Network, the forum will cover cross-border financial corridors, Open Finance, digital infrastructure, digital assets, AI, quantum technologies, cybersecurity, and investment.
- Leap to Unicorn Season 4 – FinTech Cohort: FACE is supporting the programme as an Ecosystem Partner. The event, presented by IDFC FIRST Bank with Moneycontrol and CNBC-TV18, will provide selected FinTech start-ups access to investment consideration, mentorship, and national visibility.
- Money Alpha 360° & Alpha FinAI 2026 (17–19 Dec 2026): FACE is supporting the event as the FinTech SRO Partner. The programme will bring together stakeholders across banking, FinTech, artificial intelligence, wealth management, insurance, digital payments, and financial

innovation, with a focus on responsible innovation, financial inclusion, regulatory developments, and the future of India's FinTech ecosystem.

Members' Miles

- Airtel Money commences operations as Type-II NBFC after RBI nod
- Angel One Q1 PAT doubles to INR 231 Cr. on strong revenue growth
- EnKash Introduces Indias First Meal Card with UPI Payments
- Fibe launches Credit AI Radar (CAIR) to help consumers understand and improve credit health
- Finkurve - Arvog Raises INR 50 Cr. Through NCD Issuance from Franklin Templeton to Accelerate Growth and Business Expansion
- Groww's consolidated net profit records a 94% YoY growth
- InCred Finance Reports 36% Revenue Growth In FY26, Profit Climbs To INR 438 Cr.
- IPO-bound PhonePe declares 11.5% yearly growth in revenue to INR 7,920 Cr. in FY26
- Moneyview Gets SEBI Approval For INR 1500 Cr+ IPO
- Navi Technologies Eyes INR 3,000 Crore IPO by March 2027 in Third Listing Attempt
- Northern Arc Q1 results: Core income jumps 44%; asset quality improves
- Paisabazaar selects MoEngage to power AI-led engagement for large, diverse consumer base
- Paytm posts INR 220 Cr. net profit in Q1, revenue from operations up 27.6%
- PayU will grow 25% across payments, credit over the next 18 months, says CEO
- Personal loans replace credit cards as preferred choice for first-time borrowers: TransUnion CIBIL
- Phone pe: From Gatekeeper to Strategic Catalyst: How GenAI is Transforming Compliance
- Pine Labs posts INR 19.6 Cr. Q1 FY27 profit as revenue rises nearly 20%
- Piramal Finance MD sees strong credit demand, reaffirms 25% AUM growth target
- Piramal Finance Q1 profit surges nearly 67 pc to INR 461 Cr.
- Razorpay partners with NBBL to launch mobile-first netbanking solution
- Viyona Fintech gets BBPS customer operating unit nod

For more event details or partnership queries, connect at communications@faceofindia.org.