Issue 29 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-ninth 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)

- RBI releases list of NBFCs in the Upper Layer (NBFC-UL) under Scale Based Regulation for NBFCs (06 Aug 2026): The RBI released the list of NBFCs classified in the Upper Layer (NBFC-UL) based on financials as of 31 March 2026. The list has been prepared based on revised criteria for identification of NBFC-UL introduced following a review undertaken during 2025-26.
- Draft RBI (NBFC – Credit Facilities) Amendment Directions, 2026 (06 Aug 2026): The RBI released draft Amendment Directions proposing to restrict NBFCs from offering revolving credit facilities. The draft defines "revolving credit" and "term loan" and provides that NBFCs

may only offer credit products in the nature of term loans, with an exception for NBFCs authorised by the RBI to issue credit cards. The proposed amendments are to come into force immediately upon issuance.

- Amendment Directions on 'Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents' (06 Aug 2026): The RBI issued final Amendment Directions prescribing requirements relating to fair treatment of borrowers, conduct and training of lenders' employees and recovery agents, the use of technology-based mechanisms for recovery of loan dues through financed devices, etc. The Directions will come into effect from 1 January 2027.
- Draft RBI (Interest Rates on Loans and Advances) Directions, 2026 (12 Aug 2026): The RBI issued draft Directions proposing a harmonised, principles-based framework for the determination of interest rates on both fixed and floating rate loans across all REs. Comments have been invited until 11 September 2026.

Telecom Regulatory Authority of India (TRAI)

- TRAI initiates phase-wise implementation of 1601-series for service and transactional calls (10 Aug 2026): TRAI introduced Phase I of the 1601-series for eligible entities in utilities, courier and logistics, with direct allocation following verification by telecom service providers. BFSI and Government service and transactional calls remain within the 1600-series; Phase-I entities are to be onboarded within 90 days, and 1601-series numbers cannot be used for promotional calls.

Parliament of India

- Taxation and Other Laws (Amendment) Bill, 2026 (Aug 2026): The Taxation and Other Laws (Amendment) Bill, 2026 was passed by both Lok Sabha and Rajya Sabha and has received Presidential assent. The Bill amends the Payment and Settlement Systems Act, 2007 to enable the Central Government to permit charges, including MDR, on UPI and other notified electronic payment modes.

Must-Reads

FinTech, Banking, and Credit

- Singapore FinTech Association – Payments Industry Code of Conduct for Singapore: The SFA established common standards for payment service providers on pricing transparency, fair marketing, fraud prevention, consumer protection, data privacy, and operational resilience. The Code applies to regulated and exempt PSPs providing fiat-currency payment services.

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

- EY – Responsible AI Monitoring: The paper presents a framework for monitoring traditional AI, generative AI, and autonomous AI agents, focusing on governance, risk, performance, model drift, misalignment, and security.
- European Supervisory Authorities (ESAs) – Statement on Frontier AI Models: The ESAs highlight that the advanced capabilities of frontier AI models are accelerating cyber risks and could create systemic risks by rapidly identifying and exploiting vulnerabilities, targeting shared

infrastructure, and leveraging single points of failure. The ESAs encourage financial entities to strengthen ICT risk management through three key strategies: prevention, detection, and management.

- Liminal Insights & Unico – Identity Fraud Intelligence: Trends & Insights: The report estimates USD 400 Bn.+ in annual global fraud losses, a 100x+ decline in the cost of sophisticated attacks, and finds that synthetic identity fraud accounts for 48.3% of fraud in Latin America.
- Point Predictive – Fraud Risk Intelligence – Q2 2026: The report identifies 12 active fraud vectors targeting banks, lenders, fintechs and payment ecosystems, with key threats including AI-enabled credit washing, seasoned synthetic identities, data poisoning of fraud models, AI-cloned lender/dealer websites, camera-injection KYC bypasses, AI-forged email and voice scams, and malware that hijacks trusted devices or banking sessions.
- IFSCA – AI in IFSC: Survey 2026 Report: The report provides insights into the adoption and use of AI among entities operating in GIFT IFSC, covering key AI use cases, implementation priorities, expected benefits and challenges, as well as AI governance practices and the evolving role of AI in financial services.

Must-Watch

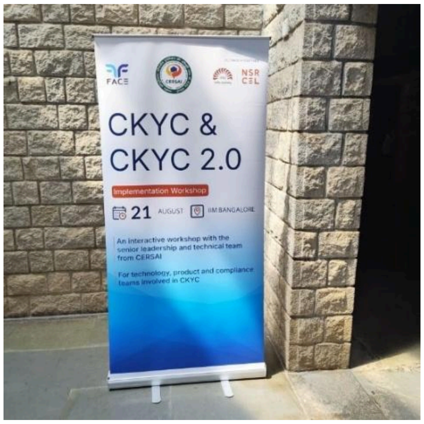
- NPCI Innovators Playground Podcast – Ep. 12: Sarvam AI | Pratyush Kumar on the Next Chapter of India's AI Story: The episode explores India's push for sovereign AI, including the importance of developing models for Indian languages, securing compute infrastructure and building globally competitive foundation models. It also explains how frontier AI models are trained, covering pre-training, Mixture of Experts architectures and reinforcement learning.
- FinBox – How AI Transforms Lending: Unpacking Risk, Underwriting & Decisioning: The conversation explores how AI is reshaping credit underwriting and risk assessment, including the evolving role of bank, bureau and alternative data in lending decisions.

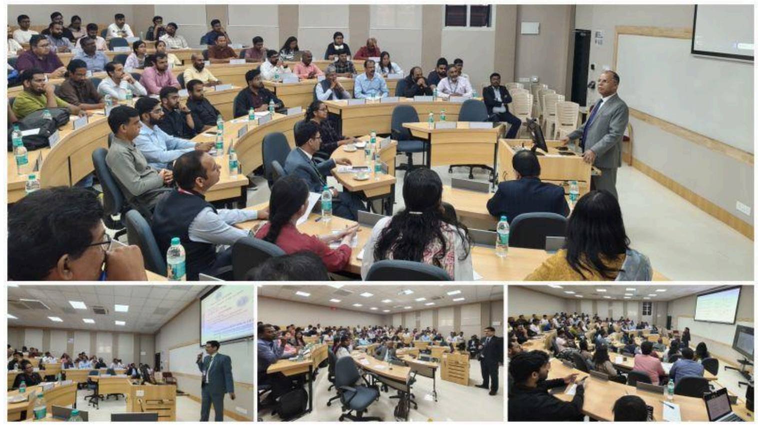
FACE Forward

Events

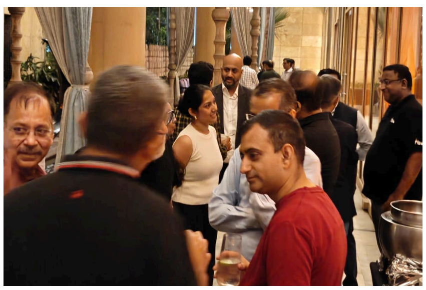
FACE Events

- FACE, in collaboration with NSRCEL as Outreach Partner, conducted a Workshop on CKYCR & CKYC 2.0 Implementation, Friday, 21 August 2026, at IIM Bangalore. The event convened an open and interactive session with the CERSAI India team, including distinguished speakers Shri Umesh Kumar Singh, MD & CEO, CERSAI; Shri Vijendra Pal Singh, Dy. GM, CERSAI; and Shri Pravin Sharma, CGM, Union Bank of India.





- FACE convened a Member Meet in Pune for member networking and engagement on 31 Aug 2026



Ecosystem Events

- FACE is participating as the Industry Association Partner for PHDCCI's MSME Financing: A Key Driver for Viksit Bharat @2047, in New Delhi on 16 Sep 2026.
- FACE is partnering with the Cambridge Digital Innovation and Regulation Initiative for its global Agentic Regulator Hackathon, running through 18 Sep 2026.
- FACE will conduct a session titled Between the Regulator and the Market: How India's Self-Regulatory Organisations are Building Inclusive Financial Systems at Financial Inclusion Week 2026, on 6 Oct 2026.
- FACE is participating as the FinTech SRO Partner for the Credit & Collections Summit India 2026, Mumbai, 7–8 Oct 2026.
- FACE is participating as a Supporting Association for FINMAT Expo 2026, GIFT City, Gandhinagar, 13 Oct 2026.
- FACE is participating as the FinTech SRO Partner for Money Alpha 360° and Alpha FinAI 2026, Greater Noida, 17–19 Dec 2026.

Research and Publications

- FACE released the List of Supervisory Returns for NBFCs. The list compiles the supervisory returns prescribed under the RBI (Non-Banking Financial Companies – Supervisory Returns) Directions, 2026. It covers 20 returns and provides a reference on their nature, applicability across NBFC layers, periodicity, reporting platform or submission mode, and applicable timelines.

- FACE released the List of Regulatory Policies for Base-layer NBFCs. The list consolidates policy requirements arising across RBI regulatory frameworks. It covers 32 policy areas and maps their applicability across different categories of base-layer NBFCs, along with relevant regulatory references, internal ownership and review, external review, review frequency, and public disclosure requirements.
- FACE released the Guidelines on the Arbitration Framework in Loan Agreements. The guidelines provide a framework for incorporating and implementing arbitration clauses in lending agreements, covering key aspects such as the independent appointment of arbitrators or institutions, borrower consent and disclosures, due process, and the review of existing arbitration clauses.

Membership

- FACE has over 409 members as of Sep 2026, 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 Spotlight webinar with Think360.AI on KwikID, its AI-powered Digital Identity & Trust Platform, 05 Aug 2026.
- FACE hosted a Spotlight webinar with Castler on its Software Recoverability Platform (SRP), 12 Aug 2026.
- FACE hosted a Spotlight webinar with Cashfree Payments on SecureID, its identity verification and KYC suite, 19 Aug 2026.
- FACE hosted a Spotlight webinar with Signzy on its Agentic CKYC Platform, 26 Aug 2026.
- FACE hosted a FACE Forward webinar with Aumyaa Consulting Services LLP on ESG for FinTech: Turning Responsible Conduct into Measurable Impact, 27 Aug 2026.

Members' Miles

- Airpay India and Yuze India Enter Strategic Alliance to Strengthen Digital Payment Acceptance
- BimaPay targets INR 2,500 Cr. premium financing in FY27
- CheQ Launches CheQ UPI, Bringing India's Most Rewarding UPI Experience for RuPay Credit Card Users
- Finkurve Financial Services Delivers Strong Q1 FY27 Performance with AUM Growing 134.5% YoY to INR 1,270.4 Cr. and PAT Rising 65.8% YoY
- GetVantage raises INR 63 Cr in Series A1 round
- InCred Capital launches InCred Black in major UHNI push
- MobiKwik bets on AI to boost loan disbursals by INR 300 Cr. a quarter
- Northern Arc to raise INR 10,000-11,000 Cr. this year
- Paytm Payment Gateway integrates with Anthropic's Claude: What businesses can do with AI prompts
- PayU launches accessible checkout for digital payments
- PB Fintech Q1 profit jumps 92% as revenue climbs 40% on strong insurance growth
- PhonePe Launches Fixed Deposit Platform With Leading Banks And NBFCs
- PhonePe signs MOU with MeitY to support PM GatiShakti with hyperlocal transaction insights
- PhonePe widens lead as UPI transactions climb to 23.66 Bn. in July
- Pine Labs to step up agentic commerce investments: CEO Amrish Rau

- [Progcap's ProgShakti is bridging the credit gap for women entrepreneurs]
- [Razorpay launches AI foundation model with NVIDIA, AWS for payment routing, fraud detection]
- [Rezolv raises INR 115 Cr+ series A funding led by Norwest]

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