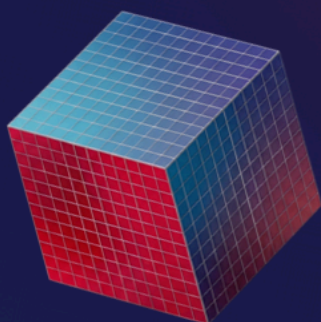




The RBI-recognised Self-Regulatory Organisation
in the FinTech Sector (SRO-FT)



CUBE

Issue 30
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Issue 30 CUBE: Your Insight into FinTech Ecosystem

Hello from FACE - RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT) and India's largest FinTech association. We present the thirtieth 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 Reserve Bank of India \(Know Your Customer\) Amendment Directions, 2026 \(11 Sep 2026\)](#): The draft provides for an SOP for banks to place temporary debit holds on amounts or accounts linked to money-mule activity and cyber-enabled financial fraud. Comments may be submitted by 2 October 2026.

Ministry of Finance (MoF)

- [Merchant Discount Rate \(MDR\) on Select UPI \(P2M\) Transactions \(15 Sep 2026\)](#): The framework introduces an MDR of 0.4% on P2M transactions above INR 2,000, capped at INR 300 for transactions of INR 75,000 and above, while transactions up to INR 2,000 remain

MDR-free. Small merchants under the P2PM framework receiving up to INR 1 lakh per month through UPI QR will continue to have zero MDR. A flat MDR of INR 5 will apply to specified sectors including railways, telecom, insurance, fuel and utilities, while capital-market transactions will attract an MDR of 0.02%, capped at INR 300. The framework is scheduled to take effect from 15 October 2026.

Telecom Regulatory Authority of India (TRAI)

- [Telecom Commercial Communications Customer Preference \(Third Amendment\) Regulations, 2026 \(18 Sep 2026\)](#): The amendments introduce a regulatory framework for Application-to-Person (A2P) calls, including autodialled, robocalls and pre-recorded/artificial voice calls; revise the definitions and requirements relating to consent, explicit consent and customer relationships; and clarify the treatment of service and transactional messages/calls.

Insurance Regulatory and Development Authority (IRDAI)

- [Consultation Paper on Public Insurance Registry \(1 Sep 2026\)](#): IRDAI proposed the creation of a Public Insurance Registry (PIR) as a population-scale, interoperable and non-exclusionary Digital Public Infrastructure for the insurance sector. The proposed registry would provide a consistent view of verified insurance records while allowing data to remain with the institutions that hold it.
- [Consultation Paper on Distribution Reforms \(23 Sep 2026\)](#): IRDAI issued a two-part consultation paper proposing reforms to insurance distribution, including a five-year glide path to reduce insurers' Expense of Management (EoM) limits, reintroduction of differentiated commission caps across life, health and general insurance, and broader treatment of payments and incentives to distributors as commission. The proposals also seek to simplify the intermediary framework, strengthen controls against mis-selling and improve policyholder protection. Comments may be submitted by 25 October 2026.

Unique Identification Authority of India (UIDAI)

- [Aadhaar Face Authentication SDK and Sandbox \(9 Sep 2026\)](#): UIDAI launched an Aadhaar Face Authentication SDK and Sandbox at Global Fintech Fest 2026 to enable banks, fintechs and other ecosystem partners to integrate, test and deploy face authentication directly within their mobile applications. The SDK incorporates AI/ML-based liveness and anti-spoofing capabilities, secure data handling and encryption, while the Sandbox allows end-to-end testing of provisioning, consent, face capture, authentication, error handling and spoofing scenarios without external biometric hardware.

Must-Reads

FinTech, Banking, and Credit

- [Equifax – Aspirational India: Consumer](#): The report examines the next wave of consumer credit demand in India, offering a comprehensive diagnostic of India's evolving consumer credit landscape, and providing financial institutions, fintechs, and policymakers with actionable blueprints for sustainable growth.

- [Equifax – Aspirational India: Business](#): This report serves as both a comprehensive diagnostic of the credit landscape for aspirational businesses, and a strategic roadmap for regulators, banks, NBFCs, and FinTechs in India.
- [Z/Yen Group – Finance in Asia: AI-driven, FinTech, Digital Currencies, and the Evolution of Financial Infrastructure](#): The report, commissioned by the Seoul Metropolitan Government, examines the development of AI, FinTech, digital currencies and financial infrastructure across major Asian financial centres in 2026, including Seoul, Singapore, Hong Kong, Tokyo and Shenzhen.
- [Alliance for Financial Inclusion \(AFI\) – The Consumer Empowerment & Market Conduct Policy Model](#): The policy model draws on AFI members' experiences and peer learning to provide practical and flexible guidance for strengthening financial consumer empowerment, market conduct and consumer protection. It sets out six pillars covering governance, market conduct, supervision, consumer capability, complaints redressal, and cross-cutting themes.
- [OECD – Transparency in Retail Cross-Border Payments and Remittances](#): The report supports implementation of the G20 Roadmap for Enhancing Cross-border Payments by recommending that payment service providers disclose key information to payers and payees, including total transaction costs and currency conversion charges, expected delivery times, payment status tracking and applicable terms of service.
- [CGAP – Measuring Financial Health: A Framework](#): The working paper develops a framework for financial sector authorities to measure how financial services and policies affect people's financial well-being. Drawing on 70 existing approaches, expert consultations and a CGAP pilot in Rwanda, it translates the G20 Global Partnership for Financial Inclusion's definition of financial well-being into six measurement areas and 17 indicators covering both people's financial circumstances and perceptions.

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

- [FSB Chair's Letter to G20 Finance Ministers and Central Bank Governors](#): FSB Chair Andrew Bailey highlighted the potential impact of frontier AI on cyber risk, noting that increasingly autonomous and capable frontier AI models could materially alter the speed, scale and economics of cyber risks and potentially undermine confidence across the financial system.
- [Berkeley AI Research Lab – Responsible Use of Generative AI](#): The playbook examines how organisations can incorporate responsible AI practices into the development and day-to-day use of generative AI. It identifies key risks associated with GenAI and provides 10 actionable plays, along with supporting resources and tools, to help product managers and organisational leaders use GenAI responsibly.
- [BCG – The Algorithm Now Makes the Shortlist](#): The paper finds that AI is increasingly shaping consumer discovery and choice in banking and insurance, with 50% of surveyed European consumers beginning product research through AI tools and nearly 90% saying AI influenced their final choice. AI tools are not merely accelerating comparison: 60% of AI users were shown a provider they had not previously considered, while nearly 25% changed their final choice as a result.

- [BCG – The Agent Is the Easy Part](#): The report presents a reference architecture for deploying agentic AI in banking, arguing that the core challenge is not the AI model itself but building a trustworthy system around it. It proposes an AI layer for reasoning, communication and recommendations, surrounded by deterministic controls that determine what actions are permitted, approve commitments, validate outcomes and maintain audit trails.
- [OECD – Agentic AI in organisations](#): This paper examines how agentic AI systems are being developed, deployed and governed in practice. Drawing on interviews with organisations across a range of regions and sectors, it explores emerging applications, benefits, challenges and governance approaches.
- [FCA – Tokenisation in Wholesale Markets: Feedback Statement](#): The FCA received 123 responses on the benefits, priorities and barriers to tokenised securities in UK wholesale markets, with most respondents identifying post-trade applications, particularly more efficient collateral movement, as the main opportunity.

Risk Management and Resilience

- [BIS – FMIs’ Reliance on Third-Party Service Providers: Challenges and Risk](#): The discussion paper examines challenges and risks arising from financial market infrastructures’ (FMIs’) growing reliance on third-party service providers, particularly for critical services. It highlights how such reliance can amplify risks given FMIs’ highly interconnected role in the financial system, and considers implications for risk management and cyber resilience.
- [EBA – Final Guidelines on the Management of Third-Party Risk](#): The Guidelines establish a more proportionate and consistent framework for managing third-party risk, aligned with DORA, with a focus on arrangements supporting critical or important functions (CIFs) where disruption could materially impair a financial entity. They cover the full lifecycle of third-party arrangements, including risk assessment and due diligence, contracting, subcontracting, monitoring, documentation and exit strategies, across both ICT and non-ICT services.
- [BIS – When Machines Attack: Frontier AI Cyber Threats and Policy Responses in the Financial Sector](#): The paper examines how frontier AI models are changing the cyber threat landscape. For financial institutions, key risks include compressed remediation windows, higher breach likelihood and amplified third-party dependencies, including concentration and sovereign-access risks arising from reliance on common cloud, software and frontier AI providers.
- [UK Government – AI Risk Management Toolkit: Guidance](#): The toolkit provides a practical framework for identifying, assessing, treating, monitoring and reporting risks associated with the design, procurement, deployment and use of AI across its lifecycle. It includes an AI risk assessment guide, critical risk-identification questions, a risk register workbook and an AI Risk Monitoring Dashboard.

Must-Watch

- [India FinTech Diaries – EP090: DPI – In conversation with Kamya Chandra, CEO & Co-Founder, CDPI](#): The episode explores India’s Digital Public Infrastructure (DPI) journey and the potential for its principles to be adapted internationally. It examines DPI beyond Aadhaar and UPI,

including identity, payments, data sharing and verifiable credentials; and how trusted credentials and data-sharing rails could reduce the cost of credit and enable smaller-ticket lending.

- [NPCI Innovators Playground Podcast – Bain & Company: The AI Question CEOs Can't Ignore](#): NPCI's Dilip Asbe speaks with Bain & Company Global Chairman Manny Maceda on how AI is reshaping the global business environment and where value may emerge across the evolving technology stack. The discussion covers sovereign AI, the intersection of AI with geopolitics, energy, capital and global supply chains, and India's potential areas of advantage.

FACE Forward

FACE Updates

- FACE conducted its 6th Annual General Meeting (AGM) on 24 Sep 2026, and [announced](#) the election of Mr. Hemant Manilal Gala, CEO, PhonePe Lending, and Mr. Rajiv Naresh, MD and CEO, Navi Ltd., as Member Directors on its Board.

Ecosystem Events

- FACE is conducting 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](#), 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 a Community Partner for [Singapore FinTech Festival \(SFF\)](#), Singapore, 18–20 Nov 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 [Guidelines on Mitigating Deepfake Risks in Digital Authentication of Customer Identity](#). The guidelines provide a suggestive framework to help strengthen digital authentication and customer onboarding processes against emerging risks arising from AI-enabled impersonation and synthetic identities.
- FACE released its latest [quarterly report on Digital Personal Loans, June 2026](#). Using data from CRIF High Mark, the report examines personal loan market trends across scale, reach and borrower segments, covering 110+ Digital NBFCs from April 2022 to June 2026. It also presents a comparative analysis with other NBFCs and banks.

Membership

- FACE has over 420 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.

- FACE welcomed the following organisations as members in Sep 2026:

1. Ebitaus Pvt Ltd | Ebitaus | <https://ebitaus.com/>
2. iFLOW Financial Technologies Pvt Ltd | iFLOW | <https://www.iflow.co.in/>
3. Knowl Labs Pvt Ltd | Knowl Labs | <https://www.knowl.ai/>
4. Mindweave Transformers Pvt Ltd | OnFinance | <https://www.onfinance.ai/>
5. Narendra Finance Company Pvt Ltd | Kosh | <https://getkosh.com/>
6. Nextspeed Technologies Pvt Ltd | GetSwipe | <http://getswipe.in/>
7. Phi Commerce Pvt Ltd | Phi Commerce | <http://www.phicommerce.com/>
8. Pritanish Fintech Pvt Ltd | Pritansh | <http://www.pritanish.com/>
9. Shuhari Finance Pvt Ltd | Nira | <https://shuhari.finance/>
10. SysINet InfoSolutions LLP | SySINet | <http://sysinet.in/>
11. Udyan Platforms OPC Pvt Ltd | ArthSutr | <https://arthsutr.money/>

- 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 convened a KYC Open House on 3 Sep 2026, an open forum to discuss implementation issues and priorities.
- FACE hosted a FACE Spotlight webinar with ConsentIn by Leegality on [Retention and Deletion Rules under DPDP and RBI](#), 30 Sep 2026.

Members' Miles

- [BharatPe rolls out agentic AI for merchants, AI tool to boost credit awareness](#)
- [Fibe gets SEBI approval for INR 750 Cr. IPO](#)
- [InCred bets on product manufacturing to gain an edge in crowded wealth market](#)
- [Kissht eyes multiple rating upgrades with INR 832 Cr. preferential issue](#)
- [KreditBee launches 'Bee Practical' campaign to promote diversified loan portfolio](#)
- [Moneyview raises over INR 327 Cr. via anchor book ahead of INR 1,092 Cr. IPO](#)
- [mPokket targets INR 25,000 Cr. annual loan disbursements, INR 20,000 Cr. loan book in 3 years](#)
- [Navi UPI forges partnership with IndusInd Bank to scale digital payments](#)
- [Paisabazaar expands wealth push as it diversifies beyond unsecured credit](#)
- [Paytm Payment Gateway integrates with ChatGPT to track payments, refunds and sales insights](#)
- [PhonePe and Pine Labs to invest in expanding UPI sandbox coverage in rural areas after MDR](#)
- [PhonePe brings UPI payments to feature phones without internet](#)
- [PhonePe to launch UAE operations in maiden global foray, gets central bank licence](#)
- [Pine Labs partners with Google Cloud to bring AI agents to Indian merchants](#)
- [Razorpay, IndusInd Bank launch AI account manager on WhatsApp for businesses](#)
- [True Balance scores 100% of loan applications with AI, looks beyond credit bureaus to curb defaults](#)
- [UGRO Capital raises INR 380 Cr. from Dutch development bank to expand MSME lending](#)

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