



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



Issue 6, October 2024

## **CUBE: Your Insight into FinTech Sector**

Hello from FACE, your RBI- recognised Self-Regulatory Organisation in the FinTech Sector (SRO-FT)!

Welcome to the sixth edition of Cube, packed with the latest updates and insights from the FinTech world, both in India and globally. Got any thoughts or ideas? We're all ears! Drop us a line at [teamface@faceofindia.org](mailto:teamface@faceofindia.org) — we'd love to hear from you!

## **Rulemaking**

- MeitY has introduced [Vishvasya—Blockchain Technology Stack, a national blockchain framework aimed at boosting digital trust and governance](#). Additionally, the government introduced the NBFLite platform and Praamaanik to further strengthen blockchain-driven initiatives.
- The Ministry of Housing Affairs (MHA) is also ramping up efforts [in cybercrime prevention with key initiatives](#) like the Cyber Fraud Mitigation Centre (CFMC) and the Samanvaya Platform—a unified cybercrime investigation system—as part of the broader the ‘Cyber Secure Bharat’ vision.
- In other developments, [RBI has issued](#) a new notification to Supervised Entities to tackle irregularities in gold loans.

### Must-Reads

- The Reserve Bank has released the 26th edition of its annual [‘Handbook of Statistics on the Indian Economy, 2023-2’](#), providing extensive time-series data with valuable insights into various facets of India’s economy.
- RBI also released an [article](#) reviewing the performance of the NBFC sector under the recent Scale Based Regulation (SBR) framework for 2023-24 (up to Q3). The article provides a global snapshot of the Non-Banking Financial Institution (NBFI) landscape, with a particular emphasis on the Indian market.
- CRIF’s latest [‘How India Lends FY-2024’](#) report shows a YoY increase in consumption loans—up by 15% in volume and 8.7% in value.
- Experian published a report titled [‘Small is Big: How Fintechs are Revolutionizing Lending’](#), revealing that Fintech NBFCs now hold an impressive 47% share of the small-ticket personal loan market (loans under ₹1 lakh) in FY24.
- FICCI-IBA’s [‘Survey of Bankers’](#) explores the banking industry’s role in India’s journey towards becoming a \$30 trillion economy by 2047.
- KPMG’s [‘Pulse of FinTech H1’24’](#) delves into global FinTech trends, growth, and funding patterns.
- OECD’s policy paper, [‘Regulatory Approaches to Artificial Intelligence in Finance’](#) offers an in-depth analysis of AI regulation in the financial sector across 49 jurisdictions.
- IMF’s FinTech Note, [‘Implications of Central Bank Digital Currencies for Monetary Policy Transmission’](#), offers a roadmap to help countries balance CBDC use and privacy protection.

- The Centre for International Governance Innovation (CIGI) released a working paper by Ori Freiman titled '[Focusing on Users: Lessons for Canada's CBDC from the Digital Euro and Digital Pound](#)', presenting key insights and takeaways from these digital currencies.
- The Alliance for Financial Inclusion (AFI) published a '[Policy Model for Gender Inclusive Finance](#)' to support regulators and policymakers in enhancing financial inclusion for women
- IMF published a working paper titled '[Systemic Implications of Financial Inclusion](#)', exploring how financial inclusion affects various aspects of bank risk, including the under-explored area of systemic risk.
- Capgemini released its report on global payments, '[Velocity, Meet Value: Lead in the Open and Instant Future of Payments](#)' capturing the perspectives of 600 corporate across the insurance, retail, and automotive sectors.
- The Federal Bureau of Investigation (FBI) has released its '[Cryptocurrency Fraud Report](#)' for 2023. According to the report, the FBI's Internet Crime Complaint Center received over 69,000 public complaints in the previous year related to cyber-enabled crimes and financial fraud involving cryptocurrency, with reported losses exceeding \$5.6 billion.
- A new report, '[It's a fraudster's world](#)' explores the scale, impact, and globally interconnected nature of fraud against consumers by providing a sense of the scale of fraud across 15 countries.
- The Australian Government in collaboration with the Australian Sustainable Finance Institute, is creating a sustainable [finance taxonomy](#). The second and final round of public consultation on this taxonomy is set to begin in November 2024.
- The World Bank published a blog and working paper titled '[Who on Earth is Using Generative AI?](#)', which analyses real-time usage patterns of generative artificial intelligence tools across different countries.
- CGAP has released a working paper introducing the [Responsible Digital Finance Ecosystem \(RDFE\): A Conceptual Framework](#) which outlines the essential components needed to build a responsible and inclusive digital finance ecosystem.
- WeBank and Oliver Wyman published a [report](#) on global digital banking trends, highlighting the development, innovation, and growth within the digital banking sector.
- The World Bank has released a publication titled [Electronic Signatures: Enabling Trusted Digital Transformation](#).

## The World Around

- The Monetary Authority of Singapore (MAS) and The Association of Banks in Singapore (ABS) have [announced](#) that major retail banks will begin implementing Singpass Face Verification (SFV) over the next three months. This move is aimed at strengthening the digital token (DT) setup process for retail banking customers.
- GSMA has introduced its [Responsible AI Maturity Roadmap](#), offering a structured framework to guide organisations in the responsible adoption and implementation of AI.
- The Bank of England (BoE) is [inviting](#) financial services firms to join its new artificial intelligence (AI) consortium, which will oversee the use of AI across the sector.
- [The Financial Conduct Authority \(FCA\) has initiated a consultation to revise the safeguarding regime for payments and e-money firms.](#)
- Qonto, a French neo-bank, has [announced its expansion into four additional European countries](#). The company offers business finance solutions to small and medium enterprises (SMEs) and freelancers.
- [In Ireland, the proposed legislation aims to grant the national cybersecurity centre](#) emergency powers to monitor all internet traffic in the event of a "pressing national security threat."

## New Launches

- The Reserve Bank of India Innovation Hub, a subsidiary of RBI, [has introduced](#) MuleHunter AI, an artificial intelligence and machine learning (AI/ML) model designed to help banks and financial institutions detect mule accounts. This tool addresses growing concerns around fraud involving these accounts in the financial ecosystem.
- Oracle has launched its [Financial Crime and Compliance Management Service](#), aimed at helping banks, FinTechs, and other financial companies swiftly identify and manage financial crime risks.

## FACE Forward

- We've submitted industry feedback for the policy consultation on [Model Risk Management](#) and [Account Aggregator Framework \(AFA\)](#).
- [FACE has released FACETS Issue 11, highlighting disbursement trends in digital lending for Q1 of FY 2024-2025.](#)

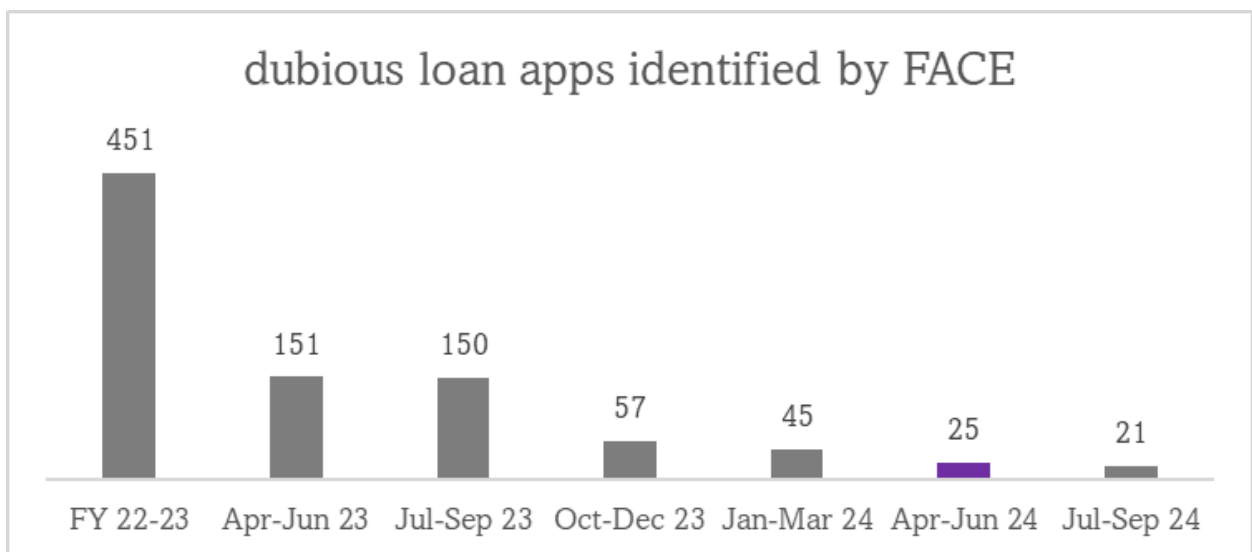
# FACETS



Trends from FACE members on digital lending, Q1 FY 24-25

Issue 11

- FACE facilitated a webinar on eKYC Setu in collaboration with NPCI, exclusively for FACE members.
- We continue to keep a close watch on app stores for dubious loan apps, reporting 21 suspicious apps during Q2 of FY 2024-2025.



- FACE membership crossed to 75 members, representing FinTechs across a variety of domains.



### Members' Miles

- [ICRA ESG Ratings Limited has assigned its inaugural ESG rating to InCred Financial Services.](#)
- [mPokket has announced a major workforce expansion, aiming to create 5,000 new jobs.](#)
- [Revfin is accelerating EV adoption with a ₹100 crore deal, adding over 15,000 vehicles to its portfolio.](#)
- [Yubi and AI4Bharat have teamed up to build India's first Automatic Speech Recognition \(ASR\) engine, focused on advancing financial inclusion.](#)

### Upcoming Events

- 3 October 2024, Chennai, [CTO Talk Summit 2024](#)