



# Membership Approval Policy

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JUNE 2024

**Fintech Association for Consumer Empowerment**

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## 1. Purpose

The Fintech Association for Consumer Empowerment (FACE) is a self-regulatory industry body uniting fintechs in India. Membership is core to its association and self-regulation work, requiring a robust, efficient, and transparent membership process for fintechs.

This policy establishes detailed guidelines for membership approval (for members and partners) in accordance with the provisions of RBI's "Framework for Recognising Self-Regulatory Organisation(s) for FinTech Sector," dated 30th May 2024. The policy is in conjunction with and aligns with the FACE Article of Association (AoA), but in case of conflict in interpretation, the AoA will supersede. The Board approved the policy in its meeting on 27 Jun 2024, and it is subject to review at least once a financial year.

## 2. Membership Categories

FACE has two membership categories. The eligibility criteria for the same are as follows:

- **Members:** Entities, other than individuals, directly engaged in activities related to the fintech and digital lending sector, regulated by the RBI or otherwise, shall be eligible to apply for membership in the Company. Fintechs are defined, as per RBI SRO-FT, as entities that provide technological solutions for the delivery of financial products and services to businesses and consumers or encompass regulatory and supervisory compliance in partnership with traditional financial institutions or otherwise.
- **Partners:** Entities other than individuals not eligible to become members (such as research, investment, advisory, consulting, audit, debt funding, investors, etc.) engaged with the fintech sector are eligible to become partners.

## 3. Application Process

### 3.1 Transparency

- FACE will publish an email ID ([team@faceofindia.org](mailto:team@faceofindia.org)) along with eligibility criteria and fees for various membership categories on the FACE website for prospective applicants to enquire about the membership requirements/benefits and application process.
- FACE receives ongoing interest in membership from several sources, including its website, social media channels, introductions to potential companies by existing members, and the FACE team proactively reaching fintechs for membership.
- All these prospective leads converge to a dedicated person in the FACE team responsible for new membership to engage with them on the membership application process, managing communication and handling applications, as below.
  - › Engage with the applicant to understand the fintech business and share about FACE construct/work/membership.
  - › Share with the applicant all membership-related documents (available [here](#)) beforehand, such as eligibility criteria, AoA, application form/list of supporting documents, fee structure, benefits/obligations, and application process.
  - › Follow up with the applicant after sending the required documents to address any queries about membership.
  - › Respond to a membership interest within three (3) calendar days by sending the [membership docket](#) and follow up with the prospective applicant within seven (7) calendar days after the membership documents have been sent to initiate the application process and one-to-one interactions.

### 3.2 Application submission

- An eligible entity desirous of taking the membership shall make an application in the prescribed form along with supporting documents as specified [here](#) and undertaking by an authorised person to abide by FACE's Codes of Conduct (CoC) and AoA.
- If necessary, FACE may ask for additional information/documents for evaluation.

### 3.3 Evaluation

- Check the membership application form and verify documents for eligibility as per the defined eligibility criteria in AoA.
- Establish the applicant's credentials by reviewing the entity's website, app, and other publicly available information and market references.
- Document an evaluation proposal according to the standard format, documenting the reasons for the application's approval or rejection.
- Complete the evaluation process for the application within seven (7) calendar days after receiving all the documentation from the applicant.

### 3.4 Approval

- The CEO has delegated authority from the Board to approve and reject an application, subject to the condition that a Board veto can override any such approvals within 48 hours<sup>1</sup> from the date of approval intimation to the Board.
- Upon completion of the evaluation proposal and decision, the CEO will promptly inform the Board of the approved proposals.
- The final decision shall be made on the application within fifteen (15) calendar days of receiving the complete documentation.
- Communicate the decision to the applicant via the email ID provided by the applicant, including any pendency on the applicant's furnishing of any additional information/documentation. In case of rejection, communication should explain that the Board is the final authority on accepting/rejecting an application and is not obliged to give reasons.
- Approval of the application will be valid for six months. Suppose an applicant fails to complete any pending application formalities (like submission of a document) and pay the fees within six months from the date of approval. In that case, the applicant must resubmit the application.

### 3.5 On-boarding

- Initiate onboarding by signing the membership agreement (as and when available) and raising the fee. Membership benefits start after completing any pending application formalities and paying the required fees.
- Introduce the new member to the FACE team, functioning, internal policies, working groups, periodic meetings, ongoing initiatives, etc.
- Get details of three authorised representatives for FACE engagement and add them to FACE communication channels (groups created using the registered email IDs) so they can be involved in the activities and receive necessary communication.
- Announce the new membership on the FACE website/social media channels and among members and include the new member logo and other details on the FACE website.

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<sup>1</sup> As per Board decision on meeting held on 12 Dec 2024.

#### **4. Renewal**

- Renew the membership for the existing members as they clear the annual subscription fee (as approved by the Board) for the financial year.
- Renewal not applicable for membership under resignation, suspension and termination as per AoA.

#### **5. Records**

- Maintain a list of members, including their names, addresses, dates of admission, and cessation, if applicable.
- Keep a record of applications, documents, evaluation proposals, and final decisions for the period of eight (8) years after membership cessation until retention period of such records is specified by RBI.
- Treat all non-public information applicants provide as part of the application process, such as shareholding, investors/founders, business, and financials, with strict confidentiality and as per the FACE privacy policies in place.
- Maintain updated records for membership renewals, authorised persons and contacts subscribed to internal FACE communication groups.

#### **6. Amendments**

- Review the policy for regulatory/legal requirements, association needs, and process improvements.
- Submit the proposed amendments to the Board, outlining the changes' rationale, benefits, potential impact and document decisions for approval.

## 7. Application Process Flowchart

