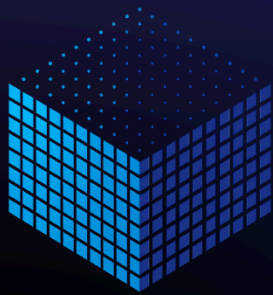




The RBI-recognized Self-Regulatory Organization in the FinTech Sector (SRO-FT)



CUBE

Issue 18 – Oct 2025

Issue 18 CUBE: Your Insight into FinTech Ecosystem

Hello from FACE, the RBI-recognised Self-Regulatory Organisation in the FinTech sector (SRO-FT). We present the eighteenth edition of Cube, a go-to source for the latest and most relevant happenings in India's FinTech ecosystem and beyond. Do let us know your inputs on Cube at communications@faceofindia.org.

Rulemaking

Reserve Bank of India (RBI)

- [Submission of Returns in CIMS – DPSS \(5 Sep 2025\)](#): RBI directed SCBs (including RRBs), UCBs, StCBs, DCCBs, Payment Banks, and Small Finance Banks to begin submitting Internet Banking

Return (R065, monthly) and Mobile Banking Return (R102, monthly) through the Centralised Information Management System (CIMS) starting August 2025 data.

- [Master Direction on Regulation of Payment Aggregator \(PA\) \(15 Sep 2025\)](#): RBI issued a consolidated Master Direction on regulation of Payment Aggregators (PAs), replacing earlier guidelines from 2020, 2021, and 2023 (covering online and cross-border PAs).
- [Regulatory Review Mechanism \(17 Sep 2025\)](#): RBI announced the creation of a Regulatory Review Cell (RRC) to systematically review all RBI regulations every 5–7 years. It also introduced an independent Advisory Group on Regulation (AGR) of industry experts to provide ongoing stakeholder feedback, enhancing regulatory effectiveness and engagement.
- [Voluntary Surrender of CoR by NBFCs/HFCs – Application & Checklist \(23 Sep 2025\)](#): RBI reiterated the process for voluntary surrender of Certificate of Registration (CoR) by NBFCs (including HFCs). RBI clarified that mere submission does not constitute cancellation; entities must continue complying with all regulatory/supervisory requirements until formal cancellation is communicated by RBI.
- [Authentication Mechanisms for Digital Payment Transactions Directions, 2025 \(25 Sep 2025\)](#): RBI issued comprehensive directions on authentication mechanisms for digital payment transactions, replacing the earlier reliance primarily on SMS-based OTP. The framework sets out broad principles on two-factor authentication, interoperability, risk-based approaches, issuer responsibility, and safety standards.
- [Interest Rate on Advances \(Amendment Directions\), 2025 \(29 Sep 2025\)](#): RBI revised provisions under the Interest Rate on Advances Directions, 2016 to benefit borrowers and provide lenders greater flexibility.
- [Lending Against Gold and Silver Collateral – 1st Amendment Directions, 2025 \(29 Sep 2025\)](#): RBI extended the carve-out for working capital loans secured by gold beyond jewellers, allowing SCBs to lend to any borrower using gold as raw material. Tier 3 and Tier 4 UCBs are also permitted to extend such loans.
- [Draft Credit Information Reporting \(1st Amendment\) Directions, 2025 \(29 Sep 2025\)](#): RBI proposed weekly credit information submission by CIs to CICs (from fortnightly), mandatory CKYC number capture, and faster error rectification mechanisms. Comments open until 20 Oct 2025.
- [Scheme for Facilitating Accelerated Payout – Inoperative Accounts and Unclaimed Deposits \(30 Sep 2025\)](#): RBI launched a one-year scheme (1 Oct 2025 – 30 Sep 2026) to reduce the stock and fresh accretion of unclaimed deposits transferred to the Depositor Education and Awareness (DEA) Fund. The scheme encourages banks to proactively engage with customers to reactivate inoperative accounts and return unclaimed balances.
- [Constitution of the Payments Regulatory Board \(30 Sep 2025\)](#): Following amendments to the Payment and Settlement Systems Act, 2007 (effective 9 May 2025), the erstwhile Board for Regulation and Supervision of Payment and Settlement Systems (BPSS) has been replaced with the Payments Regulatory Board. Constituted under Section 3(2) of the PSS Act, the Board comprises the RBI Governor (Chairperson), Deputy Governor and Executive Director in charge of Payment and Settlement Systems, Secretaries of DFS and MeitY, and Smt. Aruna Sundararajan (IAS, Retd.) as member. The Principal Legal Adviser of RBI will serve as a permanent invitee.

Other releases by RBI:

- [Inter-operable Regulatory Sandbox \(IoRS\) – FAQs](#) (17 Sep 2025): RBI released detailed FAQs on the IoRS initiative, which enables innovators to test hybrid financial products/services falling under the remit of multiple regulators (RBI, SEBI, IRDAI, PFRDA, IFSCA) through a single application window. The FAQs explain eligibility, scope, benefits, regulatory coordination, and application process, highlighting IoRS as a unified mechanism to foster cross-sectoral innovation in financial services.
- [Launch of Microsite for Banknotes](#) (10 Sep 2025): RBI launched a new microsite indiancurrency.rbi.org.in to provide the public with easy access to information on banknotes. The site offers 360-degree views of notes, details of design and security features, multimedia content (video, audio, animation), interactive games, and a dedicated section on note exchange. It replaces the earlier microsite paisaboltahai.rbi.org.in.
- [Cancellation of CoR](#) (22 Sep 2025): RBI cancelled the Certificate of Registration of Datta Finance and Trading Pvt Ltd for violating outsourcing and digital lending guidelines. The company outsourced core functions such as customer sourcing, due diligence, loan disbursement, servicing, recovery, and KYC verification to third-party providers. The NBFC is henceforth barred from transacting the business of a Non-Banking Financial Institution.

National Payments Corporation of India (NPCI)

- [Guidelines on Liability Rules for NETC Transactions](#) (5 Aug 2025): NPCI issued guidelines for handling NETC transactions initiated against tags under hotlist, blacklist, or low balance status. The rule, effective October 1, 2025, will be enforced through system controls in NRCS.
- [Implementation of NRP & Revised PRD Process for RuPay](#) (10 Sep 2025): NPCI announced a revised dispute resolution framework for RuPay to improve efficiency and customer redressal. The new lifecycle includes chargeback, pre-arbitration, arbitration with NRP verdict, and PRD verdict, with provision for appeal to RBI as appellate authority. Effective September 30, 2025, revised fees apply.

SEBI

- [Validated UPI Handles and SEBI Check – Secure Investor Payments](#) (1 Oct 2025): SEBI rolled out two investor protection initiatives—“@valid” UPI handles for SEBI-registered intermediaries and the “SEBI Check” verification tool. The “@valid” handle (with category-specific suffixes like .brk, .mf) enables investors to identify legitimate entities, supported by a green “thumbs-up” icon and distinctive QR code for visual verification. The “SEBI Check” platform allows investors to confirm bank account details or UPI IDs of registered intermediaries via SEBI’s portal or Saarthi app. Together, these measures enhance payment security, curb fraudulent collections, and strengthen trust in India’s securities market.
- [Caution on Impersonation of SEBI Officials](#) (5 Sep 2025): SEBI warned the public against fraudsters impersonating SEBI officials and misusing SEBI’s letterhead, seal, and logos to demand payments for compliance services or fines. Investors have been duped into transferring money to fraudulent accounts certified as “SEBI authorized.” SEBI clarified that

enforcement actions are only published on its website, genuine payments must be made through SEBI's official portal, and communications are sent exclusively from @sebi.gov.in addresses. Investors are urged to remain vigilant and verify any suspicious requests.

IRDAI

- [Caution on Fraudulent Website Masquerading as IRDAI Consumer Portal](#) (30 Sep 2025): IRDAI warned the public of a fake website – policyholdergov.org – impersonating its official Consumer Education site policyholder.gov.in. The fraudulent site misuses IRDAI's emblem and government logos, and has been found soliciting premium payments and collecting personal details. IRDAI clarified that it does not collect premiums, process claims, or conduct financial transactions via its portals. Policyholders are advised to use only policyholder.gov.in and irdai.gov.in for authentic information, rights awareness, and grievance redressal.

Must-Reads

FinTech, Banking, and Credit

- [IMF – Stablecoins, Tokens, and Global Dominance](#): In this essay, the IMF explores how stablecoins, tokenisation, and digital platforms could reshape the international monetary system. The piece emphasises that safeguarding data integrity, managing quantum-era cybersecurity threats, and enhancing international regulatory cooperation will be crucial to maintaining financial stability in this evolving landscape.
- [BCG – Global Payments Report 2025](#): This report analyses major shifts reshaping the payments industry, including the rise of instant payments, digital currencies, generative and agentic AI, and platform-based services.
- [RBI September Bulletin – The Untold Story of FinTech Customers' Experience](#): This article reviews across 107 fintech apps in payments, lending, and banking, revealing polarised feedback: 67% highly positive and 20% very negative. Key issues include loan processing delays for lending apps, technical glitches for payment apps, and customer support challenges for banking apps.

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

- [BIS – Managing Explanations: How Regulators Can Address AI Explainability](#): This paper explores the challenges posed by the limited explainability of advanced AI models in finance. It reviews existing regulatory approaches to model risk management, highlights gaps in addressing explainability, and discusses potential supervisory responses.
- [Niti Aayog – AI for Viksit Bharat](#): This report outlines three major levers for AI adoption in India; accelerating AI use across industries to boost productivity, transforming R&D with generative AI to create new innovation opportunities, and innovating in technology services to strengthen India's global competitiveness.
- [MAS – Cyber Risks Associated with Deepfakes](#): This information paper outlines emerging deepfake-related threats to financial institutions, including impersonation scams and fraud. It

provides an overview of potential impacts on the financial sector and suggests mitigation measures.

- [RBI REBIT – Cyber Security Standards and Best Practices](#): This guide outlines robust cybersecurity frameworks for financial institutions, aligned with global standards like CIS, NIST, and CISA. The document serves as a practical handbook for IT and security professionals to strengthen resilience, ensure compliance, and proactively mitigate evolving cyber threats.
- [Bank of Japan – Use of Generative AI by Financial Institutions](#): This study by the Bank of Japan reviews how Japanese financial institutions are experimenting with GenAI in compliance, risk management, and customer engagement. It emphasizes governance, model transparency, and risk controls as prerequisites for safe adoption.

Financial Inclusion

- [CGAP – Findex 2025: Why Financial Inclusion Needs to be More Responsible](#): This blog draws on the latest World Bank Global Findex data, highlighting rapid growth in digital financial services across LMICs but also major risks. It identifies five key challenges—fraud, lack of transparency, weak consumer capability, poor digital infrastructure, and low trust.
- [AFI – Financial Innovations for Financial Inclusion](#): This report highlights how innovative solutions like mobile money and QR payments are transforming access to financial services for over 800 million adults. It offers a curated guide to 50+ proven and emerging innovations, providing insights and examples to support inclusive financial ecosystem development.
- [SEBI – Investor Survey 2025](#): Covering 90,000 households across 400 cities and 1,000 villages, this nationwide survey by SEBI, AMFI, and MIIs highlights wide awareness (63%) but low participation (9.5%) in securities markets. Findings show strong risk aversion (80% households), barriers like complexity and trust deficits, and clear demand for simpler platforms, role models, and regional-language financial education. The report underscores opportunities, with 22% of non-investors expressing intent to invest within a year, making a case for strategies that build trust, simplify processes, and expand literacy.

FACE Forward

Standards and Reports

- [FACE Guidelines on Debt Recovery](#) (1 Sep 2025): FACE released comprehensive guidelines for NBFCs, LSPs, and Collection-Techs in digital lending, outlining governance policies, recovery standards, borrower rights, and safeguards on data privacy and AI usage.
- [FACE Guidelines on Whistleblower Mechanism](#) (26 Sep 2025): FACE published its Guidelines on Whistleblower to provide a framework for establishing a whistleblower process that protects employees and stakeholders who report unethical practices, fraud, or regulatory violations. The guidelines apply to all FACE members and associated individuals, including employees, directors, auditors, consultants, vendors, and partners.

Webinars

- FACE hosted a webinar with Experian India on [What’s driving fraud? Need, greed and AI speed – The impact for the credit world](#), 2 Sep 2025

- FACE hosted a webinar with Sahamati on [Data Empowered Lending: How AAs Are Shaping the New Credit Ecosystem](#), 11 Sep 2025.
- FACE hosted a webinar with PwC on [Decoding RBI Regulation on Payment Aggregators](#), 18 Sep 2025.
- FACE hosted a webinar led by Dvara Research and PwC on [Taking Stock of the RBI's FREE AI Committee and Its Implications for Industry](#), 30 Sep 2025.

Membership

- FACE has reached 275+ members by Sep 2025. We're grateful to our members for their ongoing trust and support.
- Notably, in Sep 2025, the Ministry of Corporate Affairs (MCA) approved the conversion of FACE into a public company, and FACE achieved a momentous feat of becoming the largest FinTech association in the country.
- 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](#).**

Events

- FACE hosted its Members Meetup, celebrating five years of FACE and one year as the RBI-recognised SRO-FT, 19 Sep 2025, Mumbai.



- FACE and Privy by Idfy, with the support of Khaitan & Co, hosted an exclusive event on [DPDPA: From Policy to Practice – The Future of Data Privacy in India](#), 17 Sep 2025, Mumbai. The keynote address for the event was given by Sh. Muralidhar Manchala, DGM, Reserve Bank of India (RBI) and Sh. Ravindra Pandey, ex DMD SBI and member of FACE SRO Oversight & Enforcement Committee.





- FACE, in partnership with Signzy, is hosting an exclusive Roundtable Dialogue on Fraud Risk Prevention on 28 Oct 2025 in New Delhi. This roundtable is designed to bring together leaders in risk, fraud, compliance, and product to discuss how technology can be leveraged to safeguard borrowers and institutions. The dialogue will provide a unique opportunity for members to engage in candid, solutions-focused discussions with peers and experts. Register now: <https://luma.com/fs1k13eg>
- FACE is partnering as Ecosystem Partner at the Fintech Premier League (FPL) 2025, hosted by Signzy: The multi-city corporate box-cricket league brings together leading fintech companies, including Razorpay, Pine Labs, PayU, BharatPe, MobiKwik, PhonePe, and PaisaBazaar. FPL is a platform to strengthen ecosystem connections, amplify industry voices, and foster collaboration across the fintech landscape.
- FACE is participating as a Community Partner at [Money20/20 USA](#), 26–29 Oct 2025, Las Vegas.
- FACE is participating as FinTech SRO Partner at [Rural Fintech & Financial Inclusion Forum 2025](#), 7 Nov 2025, Mumbai
- FACE is participating as Industry Partner at the [4th MENA FinTech Festival](#), 2–3 Dec 2025, Doha.



Members' Miles

- [Angel One spurts after client base climbs 26% YoY in Aug'25](#)
- [Cred looks to deepen cross-selling with new financial products](#)
- [Exclusive: BharatPe marks first secondary deal since 2021 at USD 2.85 Bn valuation](#)
- [Ignosis raises USD 4 mn](#)
- [InCred Money Raises INR 250 Cr at INR 1,650 Cr Valuation](#)
- [Microsoft CEO Satya Nadella-backed Groww to file for USD 800 mn IPO](#)
- [Paymentz Engages Leegality's Consentin to Implement DPDPC Compliance](#)
- [Paytm launches credit line on UPI with Suryoday Small Finance Bank](#)
- [Paytm launches postpaid on UPI with 'Spend Now, Pay Next Month' feature – Know how it works](#)
- [PayU raises stake in Mindgate to 70% as valuation hits USD 300 mn](#)
- [PhonePe enables Udyam registration for small biz](#)
- [PhonePe gets final RBI nod to operate as online payment aggregator](#)
- [PhonePe, DSP Finance launch loans against mutual funds up to INR 2 Cr](#)
- [Razorpay integrates Apple Pay to boost international transactions for Indian merchants](#)
- [SMFG India Credit, PhonePe tie-up to offer loans to micro-merchants](#)
- [Ugro Capital Standalone Jun 2025 Net Sales at INR 414.00 Cr, up 42% Y-o-Y](#)

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