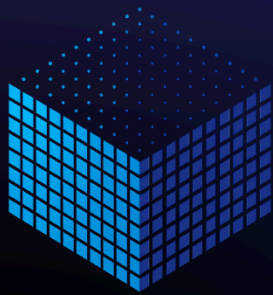




# The RBI-recognized Self-Regulatory Organization in the FinTech Sector (SRO-FT)

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# CUBE

Issue 22 – Feb 2026

## Issue 22 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-second 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](mailto:communications@faceofindia.org).

## Rulemaking

### Reserve Bank of India (RBI)

- [Amendment Directions on Risk Weighting Framework for NBFC Infrastructure Exposure \(1 Jan 2026\)](#): The RBI issued Amendment Directions revising the risk weighting framework for NBFC exposure to operational infrastructure projects. The amendments align risk weights with actual project risk characteristics to improve risk assessment and capital allocation.
- [Amendment Directions on Lending to Related Parties by REs \(5 Jan 2026\)](#): The RBI issued Amendment Directions establishing a harmonised, principle-based framework governing lending to related parties by Regulated Entities. The amendments span credit risk management and financial statement disclosure frameworks across commercial banks, small finance banks, local area banks, regional rural banks, cooperative banks, NBFCs, and All India Financial Institutions.
- [Draft Amendment Directions on Owned Fund / Tier 1 Capital for NBFCs and ARCs \(13 Jan 2026\)](#): The draft proposes revisions across capital adequacy and concentration risk frameworks for NBFCs, housing finance companies, core investment companies, mortgage guarantee companies, ARCs, and standalone primary dealers. Comments are invited till 28 Jan 2026.
- [Internal Ombudsman Directions for Regulated Entities \(14 Jan 2026\)](#): The RBI issued category-specific Master Directions establishing Internal Ombudsman frameworks across regulated entities. The directions apply to commercial banks, small finance banks, payments banks, NBFCs, non-bank prepaid payment instrument issuers, and credit information companies.
- [Reserve Bank – Integrated Ombudsman Scheme \(16 Jan 2026\)](#): The RBI issued the Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2026, incorporating stakeholder feedback on the October 2025 draft scheme. Effective 1 July 2026, the revised framework is intended to strengthen the RBI’s Ombudsman mechanism and improve efficiency in complaint resolution.
- [Amendment Directions on Priority Sector Lending – Targets and Classification \(19 Jan 2026\)](#): The RBI issued Amendment Directions revising provisions of the PSL framework to align with recent regulatory changes, include the National Cooperative Development Corporation as an eligible on-lending entity subject to conditions, and update references and clarifications in existing instructions.

### National Payments Corporation of India (NPCI)

- [Daily Implementation of UPI Switching Fee Rebate in URCS \(6 Jan 2026\)](#): NPCI announced enhancements to the UPI URCS back-office system to apply the 50% switching fee rebate for UPI P2M transactions on a daily settlement basis instead of monthly reversals. Effective 1 Feb 2026, the upgrade enables automated daily rebate adjustments during each settlement cycle.

### Securities and Exchange Board of India (SEBI)

- [Ease of Compliance Initiative – Technical Glitch Framework for Stock Brokers \(9 Jan 2026\)](#): SEBI revised the framework addressing technical glitches in stock brokers’ electronic trading systems following stakeholder consultation. The updated framework limits applicability to brokers with over 10,000 clients, exempts glitches outside broker control or with negligible

impact, simplifies reporting timelines and platforms, rationalises technology compliance requirements based on broker size, and revises the financial disincentive structure.

### **Ministry of Electronics and Information Technology (MeitY)**

- [IndiaAI–NFRA Financial Reporting Compliance Challenge \(14 Jan 2026\)](#): MeitY’s IndiaAI division and NFRA launched a national challenge inviting startups and companies to build AI engines for automated financial reporting compliance, data extraction, and risk analytics. The initiative offers a ₹1.5 crore prize pool, including funding for shortlisted teams and a potential ₹1 crore deployment contract with NFRA. Applications are open until 22 February 2026.
- [Launch of New Aadhaar App with Offline Verification Features \(28 Jan 2026\)](#): The app supports Offline Verification Seeking Entity (OVSE) QR-based identity checks for real-world uses such as hotel check-ins, hospital access, age verification, and gig worker authentication. It includes face verification, biometric lock/unlock, authentication history, QR contact sharing, and management of up to five Aadhaar profiles on one device.

### **Must-Reads**

#### **FinTech, Banking, and Credit**

- [Sahamati – Credit Reimagined \(H1 FY26\)](#): The report highlights the rapid mainstreaming of Account Aggregators, with AA-enabled monthly disbursements rising to INR 24,000 Cr and H1 FY26 lending estimated at INR 1.47 lakh Cr (7.7% by value; 10.8% by volume of retail and MSME loans). Beyond underwriting, AA adoption expanded meaningfully into MSME and auto loans, as well as use cases such as monitoring, early warning signals, collections, and fraud prevention.
- [WEF – Global Risks Report 2026](#): Drawing on the Global Risks Perception Survey of over 1,300 experts, the report assesses global risks across immediate (2026), medium (to 2028), and long-term (to 2036) horizons. It finds uncertainty as the defining theme, with a majority of respondents expecting a turbulent global outlook amid rising risk interconnections, weakening multilateral cooperation, and an increasingly contested multipolar world.

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

- [World Bank – Cybersecurity Economics for Emerging Markets](#): This book examines the growing cybersecurity risks facing developing countries amid rapid digitalisation, drawing on analysis of thousands of cyber incidents across nearly 190 countries.
- [IMF – Good Practices in Cyber Risk Regulation and Supervision](#): The paper distils global lessons on regulating cyber risk in the financial sector, highlighting its growing systemic importance. It outlines proportionate, outcome-oriented good practices covering governance, ICT and cyber risk management, third-party oversight, and supervisory approaches, advocating a calibrated mix of principles-based and prescriptive regulation.
- [European Commission – Data Act FAQs](#): The Commission has released updated FAQs to support implementation of the EU Data Act, applicable from 12 September 2025, clarifying key

concepts and obligations on data access and use. The guidance, informed by stakeholder input, complements existing tools such as model contractual terms and sector-specific guidance.

- [Office of the Principal Scientific Adviser \(GoI\) – Strengthening AI Governance Through Techno-Legal Framework](#): This White Paper outlines India’s pro-innovation approach to AI governance through a “techno-legal” framework that embeds legal, technical, and institutional safeguards directly into AI system design and deployment. It advocates lifecycle-based governance combining baseline legal protections, sectoral regulation, and technical controls.
- [PwC – Global Crypto Regulation Report 2026](#): The report finds that 2026 marks a transition from crypto policy design to implementation, with stablecoin, custody, and disclosure regimes becoming operational and tokenisation pilots scaling. While global consensus is emerging on core stablecoin principles, regulatory divergence persists.

### **Financial Inclusion & Customer Protection**

- [IIMA Ventures – Fraud Management: Current Landscape and Future Directions](#): The report analyses the sharp rise in digital financial fraud in India using an ontological framework to map research, regulation, and startup-led solutions. It finds that while RBI and SEBI frameworks provide baseline protections, gaps remain in consumer awareness, grievance redressal, incentive alignment, and India-specific research on digital fraud management.

### **FACE Forward**

#### **Ecosystem Development**

- FACE signed MoUs with IIMA Ventures and with the FinTech Centre of Excellence at NSRCEL, IIM Bangalore, to nurture early-stage fintechs and accelerate responsible innovation.
- FACE is finalising the FACE Risk Intelligence Platform (FRIP) to enable privacy-preserving, near real-time fraud intelligence and exposure visibility under SRO governance.
- FACE is coordinating an information-gathering exercise to assess the use of artificial intelligence in customer grievance redressal (CGR) within digital lending. The initiative aims to capture current practices and identify approaches for automating and strengthening CGR processes to improve efficiency and user experience.

#### **Standards, Guidance & Self-Regulation**

- FACE is undertaking a structured member survey to support the implementation of its Board-approved Grievance and Dispute Resolution (GDR) Policy for inter-member disputes. Member inputs on dispute types and resolution experiences will inform the GDR Committee’s work to build a practical, credible, and industry-aligned framework.
- FACE continues its engagement with the Indian Cyber Crime Coordination Centre (I4C-MHA), to support awareness and operational clarity on national cyber-fraud and grievance-redressal frameworks. As part of this engagement, FACE also coordinated a members-only interaction with I4C–MHA on 6 Feb 2026 focused on standard operating procedures under NCRP–CFCFRMS, restoration of funds, and grievance redressal.

## Research Contributions & Collaborations

- FACE, in collaboration with the National Council of Applied Economic Research (NCAER), is undertaking a research study on digital credit in India, with a specific focus on women's participation. As part of this initiative, FACE is conducting a member survey to capture supply-side perspectives on digital credit products, risk practices, constraints, and gender-linked borrowing patterns, complementing existing demand-side research.
- FACE is supporting the University of Cambridge's "AI in Financial Services 2030" global study, channeling perspectives from the Indian FinTech ecosystem.

## Membership

- FACE has over 330 members as of Jan 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](#).**

## Events supported/hosted by FACE

- **IIMA Ventures Summit 2026** – FACE participated as the FinTech SRO partner at the IIMA Ventures Summit held at the IIM Ahmedabad campus, engaging with startups, investors, and ecosystem stakeholders (12 Jan 2026).
- **Bharat Credit Risk, Fraud & Compliance Summit 2026** – FACE participated as the FinTech SRO partner at the national summit focused on credit risk management, fraud prevention, and compliance best practices (22 Jan 2026, Mumbai).
- **Data Trust Dialogues – Chapter 1** – FACE co-hosted an-invite-only strategic dialogue with Data Sutram and CMS IndusLaw on re-imagining data governance in a privacy-first financial ecosystem (28 Jan 2026, Mumbai).



- **Black Swan Summit India 2026** – FACE was associated as an Official Partner for the Black Swan Summit India, organised by the Government of Odisha and GFTN, supporting strategic conversations on emerging risks, innovation, and resilience in the FinTech ecosystem. FACE also curated and moderated a practitioner-led panel at the event **"Beyond the Headlines – How FinTechs Actually Scaled"** examining the real enablers of FinTech scale beyond headline success stories (5 Feb 2026, Bhubaneswar).



- **The Bharat Collection Summit & Awards 2026 (3rd Edition)** – FACE is the FinTech SRO partner for the summit focused on responsible collections, recovery practices, and sector-wide best practices (18 Feb 2026, Mumbai).
- **Collect CoLabs (Bangalore) – Strengthening Responsible, Future-Ready Collections Ecosystems** – FACE, in partnership with Spocto X, is hosting an invite-only, closed-door dialogue for senior BFSI and FinTech leaders on compliance-first, technology-enabled collections practices (20 Feb 2026, Bangalore).
- **FinVision '26 – The FinTech Pitch-Deck Competition** - FACE is supporting this initiative of the National Institute of Bank Management (NIBM), Pune. The programme provides early-stage fintech startups with a structured platform for screening and live pitching, investor exposure, and industry feedback.
- **Convergence India Expo 2026** – FACE is supporting the Convergence India Expo 2026 as the FinTech SRO partner, engaging with stakeholders across digital infrastructure, innovation, and policy (23–25 Mar 2026, Delhi).
- **Black Swan Summit Australia 2026** – FACE is an Official Partner for the Black Swan Summit Australia, extending ecosystem collaboration and global FinTech engagement (23–25 Mar 2026, Australia).
- **Money20/20 Asia 2026** – FACE is an Association Partner for Money20/20 Asia 2026, supporting regional and global dialogue across the FinTech ecosystem (21–23 Apr 2026, Bangkok).



## Members' Miles

- [Blume Ventures and Piper Serica Lead USD 3.4 Mn Pre-Series A in B2B Fintech Mysa](#)
- [CRED posts 16% jump in FY25 revenue](#)
- [Credgenics forays into consumer segment with FixMyScore.ai platform](#)
- [Groww steps up wealth play via MF and portfolio management solutions](#)
- [IndiaGold turns profitable, secures NBFC licence as gold-loan demand soars](#)
- [Intellend raises USD 1.2 Mn in seed round led by Incubate Fund Asia](#)
- [Kisht - Sebi approves 5 IPOs including that of Kisht](#)
- [MAS Financial sees asset base growth returning to 20-25% as credit conditions improve](#)
- [Northern Arc Capital posts record Q3 profit; lending AUM crosses INR 15,000 Cr milestone](#)
- [PayG Secures RBI Approval for Offline and Cross-Border Payment Aggregation](#)
- [Paytm Delivers Third Straight Profitable Quarter as PAT Rises to INR 225 Cr](#)
- [PayNearby introduces dual-authentication system for SHG cash transactions](#)
- [PhonePe launches PG Bolt to secure Visa, Mastercard payments via app](#)
- [PhonePe nears 10 billion monthly UPI transactions](#)
- [Pine Labs partners with UAE-based Wio Bank for tech infrastructure](#)

- [Pine Labs posts USD 4.6 Mn quarterly profit on strong digital payments demand](#)
- [SMFG India Credit ties up with Google Pay to offer instant collateral-free personal loans](#)
- [ZET bags TPAP licence to enable UPI credit card payments](#)

For more event details or partnership queries, connect at [communications@faceofindia.org](mailto:communications@faceofindia.org).