

Issue 31 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 thirty-first 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)

- Measures to Enhance Customer Convenience through the Account Aggregator Framework (7 Oct 2026): RBI announced interoperability among NBFC-Account Aggregators (NBFC-AAs), enabling customers to access and share financial information across different Financial Information Providers through any NBFC-AA of their choice. The measure is expected to be implemented by 31 December 2026.

Ministry of Finance (MoF)

- UPI MDR on Select Merchant Transactions to be Implemented Post Diwali (13 Oct 2026): The UPI and Services Steering Committee decided to defer the implementation of MDR on select Person-to-Merchant (P2M) UPI transactions until immediately after Diwali, citing the festive season. The revised implementation date will be notified separately.

Indian Computer Emergency Response Team (CERT-In)

- Threat Actors Exploiting Payment and Disbursement APIs for Unauthorized Fund Transfers in BFSI Entities (9 Oct 2026): CERT-In issued a critical-severity advisory highlighting cyberattack campaigns targeting NBFCs, digital lending platforms, fintech entities, payment service providers and wallet operators. The attacks involve compromising internet-facing applications, exposed APIs and privileged endpoints to steal payment aggregator/gateway and partner-bank API credentials, enabling unauthorised fund transfers while bypassing application-level controls such as KYC, loan sanction, beneficiary verification and transaction limits.
- AI Agents as Attack Vectors – Unauthorized Access by Agents under Evaluation and Misuse of Open-Source Agentic AI Tools Targeting Indian ICT Assets (15 Oct 2026): CERT-In issued a critical-severity advisory highlighting cyber incidents involving AI agents autonomously exceeding their assigned task authorisations to access Indian information and communication technology (ICT) assets, as well as threat actors misusing open-source agentic AI tools for reconnaissance, exploitation and financially motivated cyber intrusions.
- Remote Code Execution Vulnerabilities in PHP (PHP2Shell) – Advisory to MSMEs (22 Oct 2026): CERT-In issued a critical-severity advisory warning MSMEs using PHP-based websites, content-management systems, e-commerce platforms and third-party applications of multiple vulnerabilities that could enable unauthenticated attackers to execute arbitrary code remotely. Successful exploitation could result in complete system compromise, including unauthorised access to or modification of website content, customer data, databases and linked resources.

Account Aggregator

- Sahamati Proposes new AA Common Economic Model (12 Oct 2026): Sahamati introduced a standard pricing structure for the AA ecosystem, replacing bilateral fee negotiations with a common rate card. The rollout of the model is expected to begin on 01 Dec 2026.

Must-Reads

FinTech, Banking, and Credit

- CGAP – Can the Emergence of AgFinTech Revolutionize Agrifinance?: The report examines five case studies across to assess how data- and AI-powered AgFinTech solutions can address the financing gap for smallholder farmers. It highlights how combining public agricultural data, such as digital IDs, land records and weather information, with private data on payments, sales and farm performance can enable more inclusive cashflow- and farm performance-based lending.
- BIS – The Role of Central Banks and Central Bank Money in the Evolving Payment System: The report examines how technological innovation, changing user demand and new payment entities and infrastructures are reshaping payment systems, with implications for their safety, efficiency and trust in money. It reaffirms the complementary roles of central bank and private money: central bank money provides a safe and liquid settlement asset and supports convertibility at par, while private entities drive innovation, competition, efficiency and access.
- Stanford Institute for Financial Decision-Making (IFDM) – Why Should Central Banks Care About Financial Literacy?: The working paper examines the relationship between household financial literacy, monetary policy transmission and financial stability, using data from the European Central Bank's Consumer Expectations Survey. It finds that financially literate

consumers pay greater attention to interest rates, actively seek financial products, respond more to interest rate changes and participate more frequently in asset markets.

- Center for Financial Inclusion (CFI) – Why Understanding Vulnerability Matters Now More Than Ever for Responsible Finance: The article examines why access to formal financial services does not necessarily translate into financial resilience, highlighting that consumers may remain vulnerable to economic shocks despite being financially included.
- Growth with Responsibility: The Next Balance Sheet – Special Address by Shri Swaminathan J, Deputy Governor, RBI: The Deputy Governor outlined three priorities for sustaining growth in an increasingly technology-driven and interconnected financial system: strengthening controls alongside process simplification and automation; treating customer trust as an asset through responsible product distribution, appropriate use of customer data and effective grievance redressal; and enhancing institutional resilience through faster risk detection, escalation and recovery.
- The Hindu BusinessLine – India's Microfinance Sector Must Prepare for Rising Climate Risks: The article examines how climate events affect borrower livelihoods and repayment capacity; it recommends 3 measures: tagging climate events against borrower geography, livelihood and repayment performance; incorporating district-level climate hazard data and borrower livelihood profiles into credit-risk assessments; and pre-designing targeted relief mechanisms, including repayment flexibility, restructuring, insurance and adaptation finance.
- CGAP – Beyond Access: Thailand and the Frontiers of Financial Inclusion: This case study examines Thailand's transition from first-generation financial inclusion, focused on account ownership and access, to a second-generation agenda centred on meaningful consumer outcomes.

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

- MAS – Guidelines on AI Risk Management for Financial Institutions: The guidelines establish a risk-proportionate framework centred on four key expectations: strengthening board and senior management oversight with clear accountabilities; identifying, assessing and managing AI risks across the AI lifecycle; managing risks arising from third-party AI use; and calibrating governance and controls to the scale and materiality of AI use.
- BIS – Circular Relationships Among AI Firms: The Bulletin examines investment relationships among major global AI firms between 2021 and 2025, highlighting the growing overlap between financial investments and commercial supply-chain relationships. It finds that 28.7% of AI firms' investment deals (by value) involved other AI firms, while 55.2% of incoming investments in AI firms originated from other AI firms.
- BIS – Project Aurum Phase 2: Privacy-Enhancing Technologies for Digital Cash: The report examines how digital cash systems can balance cash-like payment privacy with regulatory requirements, including AML/CFT, fraud prevention and financial stability. The prototype explores the use of PETs, including encryption, BBS+ signatures and zero-knowledge proofs. It demonstrates a middle-ground approach in which regulated banks retain customer identity information while central banks maintain system integrity without accessing individual payment details.

- Edgar, Dunn & Company – Agentic Commerce: The Next Transformation in How People Shop, Choose and Pay: The whitepaper examines the anticipated adoption of agentic commerce, highlighting that it could reach 30% adoption within five to ten years, faster than previous digital innovations such as e-commerce, contactless payments and smartphones. Industry verticals likely to lead adoption include marketplaces, general retail, food delivery, B2B procurement and travel.
- FSB – Sound Practices for Responsible Adoption of AI: The report sets out 12 sound practices to guide financial institutions in the responsible adoption of AI. The practices are organised into two broad areas: organisation-wide AI governance, covering strategic direction, board oversight, accountability and organisational adaptability; and lifecycle-based AI risk management, covering materiality assessments, model selection, data governance, explainability, performance monitoring, human oversight, cybersecurity and third-party dependencies.
- NIST – Information Security Handbook: A Guide for Executive Leadership: The handbook provides executive-level guidance on cybersecurity governance and risk management for public- and private-sector organisations.
- Partnership on AI – The Observability Gap in AI Agents: The report examines gaps in the monitoring and oversight of AI agents, particularly as their deployment expands into regulated sectors such as banking and healthcare. Assessing four widely used agent frameworks against six monitoring objectives, it identifies gaps in telemetry relating to persistent agent identity, permission changes, memory updates, human intervention, reasoning processes and token-level log probabilities.
- McKinsey & Company – Three Horizons of Quantum: The article examines the evolution of quantum technology through three stages. The first horizon focuses on early commercialisation; second explores the race towards fault-tolerant quantum computing; the third considers the emergence of a quantum-enabled economy.
- Goldman Sachs Research – India AI Complex, Part 2: The Rise of Private AI Contenders, Widening the Opportunity Set: The report identifies 84 privately held Indian companies with significant exposure across the AI value chain and projects a potential IPO opportunity of USD 50–100 Bn over the next five years.
- BoE and FCA – AI in UK Financial Services – 2026: The report presents findings from the fourth joint survey of AI and ML adoption across UK financial services, covering 196 firms. It finds that 86% of respondents currently use AI, with generative AI accounting for 56% of reported AI systems, while 80% have deployed AI agents, predominantly for decision support rather than autonomous execution.
- DSCI – AI Liability: Industry Guidance for Agentic AI: The guidance examines how liability and accountability should be allocated across the AI value chain. The guidance proposes an operational approach to accountability by mapping responsibilities to specific technical touchpoints and decisions across the AI lifecycle.
- Integral – Assessing Grievance Redressal Mechanisms in DPI: The report examines grievance redress mechanisms (GRMs) across 15 digital public infrastructure (DPI) systems in Brazil, India, South Africa, Benin and Ethiopia, covering instant payment systems, digital identity and data exchange platforms. It introduces a ‘Wellness Scorecard’ comprising 23 indicators across four

weighted components to assess whether a DPI's GRM is operational, resolves grievances fairly and predictably, can function at scale, and is subject to effective oversight.

- AI Security Glossary: A reference guide for risk, security, governance and assurance practitioners, comprising 149 terms organised across 11 sections. It progresses from foundational AI concepts and application architecture to security threats and attack mechanisms, including prompt injection, data poisoning, model theft, supply-chain risks and agentic AI.
- NVIDIA and Microsoft – Risk Management for Open-Weight Models in Enterprise: The paper proposes enterprise-grade risk management guidance for the safe, secure and trustworthy deployment of open-weight AI models. It highlights that AI risk is determined not by weight openness alone, but by the model, use case, deployment environment and safeguards, with the distribution method and level of access influencing how risks are realised and allocated across the value chain.
- MeitY – Data Empowerment and Protection Architecture (DEPA) for AI Training: The proposed framework seeks to establish a digital public infrastructure for AI training in India, enabling secure and privacy-preserving data collaboration between Training Data Providers (TDPs), such as hospitals, banks and public agencies, and Training Data Consumers (TDCs), including start-ups, researchers and enterprises.
- European Commission – Outlook Report on Quantum 2026: The report examines the potential impact of quantum technologies across 12 research themes, covering quantum sensing, communication and computing. It explores how scientific institutions can prepare for quantum-enhanced research as these technologies mature at different rates.
- Moody's – From Principles to Practice: Governing Generative and Agentic AI Systems: The paper proposes a practical governance framework for generative and agentic AI systems, highlighting the limitations of traditional model risk management (MRM) frameworks in addressing their stochastic behaviour, opacity, third-party dependencies and runtime autonomy. It advocates shifting governance from the model alone to the full AI system, including the foundation model and the institution-controlled harness surrounding it. The framework identifies four target properties of a governed AI system: correctness, consistency, robustness and predictability.
- ICRIER – A Paradigmatic Shift in Public Service Delivery: The report examines the role of Digital Public Infrastructure (DPI) in improving public service delivery, focusing on India's Direct Benefit Transfer (DBT) and Ayushman Bharat Digital Mission (ABDM), alongside Australia's welfare delivery and My Health Record systems. Using an evaluative framework based on three pillars (accessibility and inclusivity, efficiency, and security) the report assesses the trade-offs involved in designing and implementing DPI-enabled public services.
- Digital Regulation Cooperation Forum (DRCF) – Protecting People and Businesses in an Agentic Economy: The DRCF's four members – the CMA, FCA, ICO and Ofcom – set out their approach to the growing adoption of personal AI agents in the UK. While recognising their potential to transform consumer interactions and market activity, the statement identifies risks relating to fraud and scams, unauthorised or unexpected sharing of personal data.
- ISO/IEC 27090:2026 – Cybersecurity: AI – Addressing Security Threats and Compromises to AI Systems: The standard provides guidance on identifying, detecting and mitigating security

threats specific to AI systems across their lifecycle. It addresses vulnerabilities such as data poisoning and model theft, and outlines measures to protect training data, AI models and intellectual property.

Risk Management and Resilience

- AMRO – Managing Digital Scam Risks in ASEAN+: The report examines the growing risks posed by digital scams across ASEAN+3 economies amid increasing digitalisation, financial integration and cross-border connectivity. It highlights the distinct challenges of authorised payment fraud, where deception occurs before transactions enter the financial system, limiting the direct control of financial institutions and regulators.
- IMF – The Bangkok Blueprint for Fraud-Resilient Financial Services: The paper sets out 12 key considerations (KCs) for addressing cyber-enabled fraud in financial services, with the objective of safeguarding trust in the financial system while supporting financial inclusion, consumer protection, integrity and stability.
- UNDP – Redefining Security: Development Circuit Breakers for a More Secure Future: The report examines the changing security landscape in Asia and the Pacific, arguing that conventional security strategies are increasingly misaligned with the region's multidimensional risks. It highlights threats such as transnational cyber-scam economies, climate- and health-related shocks, economic insecurity and declining trust in public institutions, and argues that these challenges cannot be addressed through military deterrence alone.

Must-Watch

- Nikhil Kamath – If UPI Is Free, Who Pays for It? | PhonePe, Razorpay & NPCI: In this episode, Nikhil Kamath speaks with Sameer Nigam (PhonePe), Harshil Mathur (Razorpay) and Sohini Rajola (NPCI) to examine the economics and functioning of India's digital payments ecosystem. The discussion traces a UPI transaction across apps, banks and NPCI, explaining the distinction between transaction confirmation and interbank settlement, and comparing UPI with credit card payments.

FACE Forward

FACE Updates

- FACE supported Navi's cyber awareness campaign, together with the DoT's Sanchar Saathi initiative. The campaign decodes 10 common festive scams and shares practical tips to help consumers identify suspicious activity and transact more safely.
- FACE was a Regional Partner for Financial Inclusion Week 2026, a global virtual forum convened by the Center for Financial Inclusion at Accion from 5–8 Oct 2026. On 6 Oct 2026, FACE hosted a session titled "Between the Regulator and the Market: How India's Self-Regulatory Organisations are Building Inclusive Financial Systems". The panel discussed the role of self-regulatory organisations in advancing financial inclusion, responsible innovation, industry standards and consumer protection before a global audience of policymakers, regulators and industry leaders.

The speakers were:

- Sugandh Saxena, CEO, Fintech Association for Consumer Empowerment (FACE)
- Jiji Mammen, Executive Director & CEO, Sa-Dhan
- Raman Aggarwal, CEO, Finance Industry Development Council (FIDC)
- B.G. Mahesh, CEO, Sahamati

Ecosystem Events

- FACE is participating as an Industry & Knowledge Partner for FinXtex Bengaluru 2026, Bengaluru, 10 Nov 2026.
- FACE is participating as a Community Partner for Singapore FinTech Festival (SFF), Singapore, 18–20 Nov 2026.
- FACE is participating as an Institutional Partner for CII–DFS Financing Summit 2026, Mumbai, 19–20 Nov 2026.
- FACE is participating as the FinTech SRO Partner for SII–NIBM BFSI Horizon Summit, Mumbai, 26 Nov 2026.
- FACE is participating as the FinTech SRO Partner for Fintech India Innovation Summit 2026, Bengaluru, 4 Dec 2026.
- FACE is participating as the FinTech SRO Partner for Money Alpha 360° and Alpha FinAI 2026, Greater Noida, 17–19 Dec 2026.
- FACE is participating as the FinTech SRO Partner for Fintech India Expo 2027, New Delhi, 23–25 Mar 2027.

Research and Publications

- FACE, alongside University of Bern researcher Dr Tanushree Kausal, published a report on Artificial Intelligence in Financial Services in India: Adoption, Risks, Regulation and the Future of Fintech Lending. The report draws on a survey of digital lenders (representing roughly 80% of digital lending volume) and interviews with industry leaders and technology vendors.
- FACE released Guidelines on DLA reporting to the RBI. The guidelines have been developed to address inconsistencies observed in reporting of Digital Lending Apps (DLAs), particularly in relation to DLA names, app links, ownership details and other reporting fields. They provide guidance on reporting DLAs through the CIMS portal, including the reporting process, data format and updating of DLA records.

Membership

Join India's Leading FinTech Community – Your First Year is COMPLIMENTARY*

In pursuit of our mandate as RBI-recognised SRO-FT to build an inclusive and representative FinTech community, FACE is offering **one year of complimentary membership to new members**. Through this initiative, we seek to bring together FinTech entities across activities, sizes and stages of growth to promote responsible innovation, strengthen industry practices and support consumer-centric growth.

FACE has **over 437 members** as of Nov 2026, making us **the Largest FinTech Association in the country**. We're grateful to our members for their ongoing trust and support.

Join India's largest, most diverse and inclusive FinTech association:

- Be Where Your Peers Are – Engage with FACE's community of 437+ members and build meaningful industry connections.
- Stay Current with the Industry – Access relevant regulatory updates, policy developments and ecosystem insights.
- Build Visibility, Connections & Growth – Enhance your organisation's visibility through industry engagements, knowledge platforms and networking opportunities.
- Contribute to Policy Discussions – Share industry perspectives and participate in regulatory consultations and structured policy engagements.
- Be Part of What Is Shaping FinTech – Contribute to responsible innovation, sound market practices and consumer-centric growth across the FinTech ecosystem.

Be part of the collective voice shaping India's FinTech future. Join FACE today!

Explore Membership | Apply for Membership

**First-year complimentary membership is subject to eligibility and approval. Conditions apply.*

FACE welcomed the following organisations as members in Oct 2026:

1. Udyan Platforms OPC Pvt Ltd | ArthSutr | https://arthsutr.money/
2. 36 Forts Capital Pvt Ltd | LoanDidi | https://www.loandidi.com/
3. Rinncrest Financial Technologies | Rinncrest | https://www.rinncrest.in/
4. SSBA Innovations Ltd | Taxbuddy | https://www.taxbuddy.com/
5. Jupitice Justice Technologies Pvt Ltd | Jupitice | https://jupitice.com/
6. CompliFyre AI Labs Pvt Ltd | Complifyre | https://complifyre.ai/
7. BankU (India) Ltd | BankU | https://banku.co.in/
8. Exponent Express Pvt Ltd | Exponent One | https://exponent-one.com/
9. 1T9 Technology Pvt Ltd | Oto | https://www.otocapital.in/
10. Handypay Services Pvt Ltd | Handypay | https://handypay.in/
11. BP & ASSOCIATES | BPA | https://www.bpca.one/
12. Budgetree Technology Pvt Ltd | Budgetree | https://www.budgetree.in/
13. Devick Biz Solutions Pvt Ltd | OneNDF | https://onendf.com/
14. Bayview Digital Solutions Pvt Ltd | Symbo | https://symbo.co/
15. GoFastFlowPe Solutions Pvt Ltd | FastFlowPe | https://fastflowpe.com/
16. Vallabhi Capital Pvt Ltd | Vallabhi Capital | https://vallabhicapital.com/
17. CapitalXB Finance Pvt Ltd | CapitalXB | https://www.capitalxb.com/index.html
18. AKG Infin Pvt Ltd | Risewise | https://www.risewisecapital.com/

Webinars

- FACE hosted a FACE Spotlight webinar with Bureau on RASP and Adaptive Authentication, 7 Oct 2026.
- FACE hosted a FACE Spotlight webinar with Kentrix.AI on their Granular Data Engine, 14 Oct 2026.
- FACE hosted a members-only webinar with CERT-In on emerging cyber threats, 23 Oct 2026.
- FACE hosted a FACE Spotlight webinar with Digitap.AI on their product TrackWise, 28 Oct 2026.

Members' Miles

- Beyond transactions: How PhonePe and Razorpay are using AI to improve digital payments
- BharatPe launches agentic AI for merchants as festive demand hits five-year high, targets 60+ systems
- Fibe bets on AI as profit doubles ahead of INR 1000+ Cr IPO
- Fibe, Hygge Energy tie up to expand rooftop solar loans
- Gnani AI adds tone and pace controls to its multilingual speech model Timbre v3.0
- Gnani AI launches Ascent partner programme to scale sovereign AI across enterprises
- Kissht delivers strong Q2FY27 performance; AUM reached INR 9317 Cr, PAT doubles YoY to INR 125 Cr
- Paisabazaar bets on investment products, targets 30% revenue from non-credit products in two years
- Paytm Q2 Results: Profit rockets 976% YoY to INR 226 Cr, revenue jumps 28%
- PhonePe launches Tatkal NPS, lets users open pension accounts with INR 250
- PhonePe rebrands Share.Market as PhonePe Invest, launches AI portfolio tool
- Pine Labs, WEBXPAY partner to bring UPI, Indian payment options to Sri Lanka

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