

APCI
PAYMENTS COUNCIL OF INDIA

FCC
Fintech Convergence Council



ANNUAL
REPORT

2023/24

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Message from Chairman Payments Council of India (PCI)

Vishwas Patel

Dear Members,

The dynamic and accelerated growth of the payments ecosystem in India is fuelled by the increasing adoption of technology and innovation. This has now positioned India as a force to be reckoned with on the global stage. For instance, UPI's expanding global footprint has provided immense opportunities for the payments ecosystem, which is projected to become a \$2 trillion industry by 2030.

As the payments industry stands at a critical crossroads, PCI is actively working with stakeholders to ensure its continued robust growth. As you are aware, PCI has applied to become the Self-Regulatory Payments Association under the RBI's framework. The establishment of an SRO will be instrumental in defining codes of conduct for members, fostering transparency, promoting fair competition, and ultimately, safeguarding consumer protection.

PCI works closely with the industry to address their concerns or queries on any issues that are troubling the industry. PCI is acting as the voice of the PPI industry and working on important issues such as the Co-Branding of PPIs and PPIs on UPI interoperability. For recently released guidelines on the Payment Aggregator and Cross Border transactions, PCI has organized webinars to clarify industry doubts and passed concerns to RBI and IFSCA.

PCI has identified a niche need of the industry and established a working group to address it. To streamline audits, PCI created an audit standardization task force to standardize the scope of various audits a PSO must comply with while partnering with a Bank.

PCI launched the Rupee International working group, which focused on drafting recommendations on how payment players can contribute to the agenda of rupee internationalization. PCI also made important submissions to RBI on the draft circular regarding arrangements with Card Networks for the issue of Debit, Credit, and Prepaid Cards, highlighting the potential impact on the emergence of PPIs. PCI is also exploring the possibility of collaborating with ARIFAC.

In line with RBI's vision of "Har Payment Digital," PCI is working closely with its members to support digital payments awareness week. To make digital payments accessible to all, PCI initiated Project Pratima, where the industry has curated a set of 12 standard icons for frequent use cases in payment transactions. PCI also initiated Phase 2 of Project Pratima, which is currently in its concept stage.

PCI has grown stronger and better with a membership of over 150 members driving the growth and development of the payments industry.

Warm regards,

Vishwas Patel



Message from Chairman Fintech Convergence Council (FCC)

Harshvardhan Lunia

Dear Members,

I am honoured to Chair the Fintech Convergence Council (FCC) with its dynamic representation across various sectors of our ever-expanding and thriving fintech ecosystem. FCC, representing over 150 members, including Digital Lending, Investment, InsurTech, Digital Financial Service Providers, RegTech, and Credit Bureaus, has played a crucial role in nurturing the healthy and sustainable growth of the fintech industry over the course of the past year.

FCC has been at the forefront of enabling instrumental change in India's fintech ecosystem through various initiatives and policy dialogues. We have addressed industry challenges in collaboration with the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI), and its respective stakeholders by providing vital feedback and recommendations on various frameworks: RBI's Draft Omnibus Framework for Recognizing Self-Regulatory Organizations, IRDAI's Bima Vahak Guidelines, and SEBI's proposed optional T+0 in the securities markets. Additionally, the FCC engaged with the Association of Mutual Funds in India (AMFI) and SEBI in the investment sector to establish a regulatory framework for execution-only platforms in mutual fund direct schemes, enhancing investor protection and procedural efficiency. In addition to public policy, FCC has also established India as a thought leader in the fintech space, both globally as well as domestically through various events and interactions.

The Global Fintech Fest (GFF), a global industry conference organized by the Payments Council of India (PCI) and FCC along with the National Payments Corporation of India (NPCI), has positioned India as a global thought leader in fintech, drawing thousands of participants from around the world. Last year, the GFF witnessed the participation of over 800 global speakers, footfall of more than 65,000, from 125 countries

with more than 250 sessions over three days.

Moreover, the FCC has been engaging industry with the regulator on various industry themes to facilitate interaction and collaboration in the ecosystem. The Fintech Panorama is the reflection of one such initiative which provides a forum for the industry CEOs to meet and interact with the regulator. FCC has been at the forefront of increasing industry interaction by conducting market access programs, and knowledge sessions and scheduling regular industry meetings.

The focus on sector-specific bifurcation of the lending committee to discuss the industry challenges and shortcomings in-depth has remained a continual process at FCC to have purposeful and result-driven conversations. The Financial Literacy Social Media Campaign, Investor Literacy Campaign in collaboration with the National Stock Exchange, and knowledge sessions hosted by industry leaders and consulting firms are a few such examples. These activities cover a wide range of topics with participation from multiple member companies.

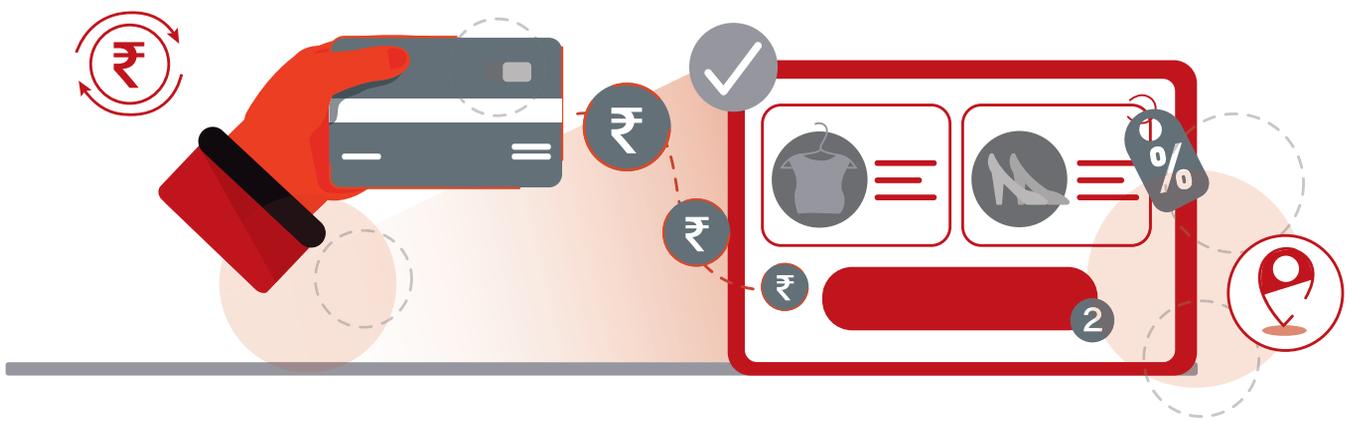
Such initiatives are a testimony to the FCC's efforts to increase regulatory interactions within and between the fintech landscape. Together, we are shaping a robust fintech ecosystem and driving meaningful change and innovation.

We sincerely thank all our members, partners, and stakeholders for your unwavering support and dedication.

Let us continue to collaborate, innovate, and lead with resilience and inclusivity.

Warm regards,

Harshvardhan Lunia



1. Public Policy and Promotion of Payments and Fintech

Payments Council of India (PCI)

SECTORAL ADVOCACY AND REPRESENTATIONS

Prepaid Payments Instruments Committee

I. Representation Regarding RBI Draft Circular on Arrangements with Card Networks

Background & Context: The Reserve Bank of India (RBI) had published a draft circular mandating card issuer, including both banks and non-banks, to issue cards on multiple networks and offer customers a choice to select their preferred network.

Action: PCI through its submission highlighted industries' concern over the implementation timeline and recommended excluding the Prepaid Payments instruments from the scope of the notification.

Outcome: RBI issued the final guidelines on Arrangements with Card Networks for issue of Credit Cards on March 6, 2024, exclusively focusing on credit cards. The notification mandated arrangements with card networks specifically for the issuance of credit cards.

Merchant Aggregators and Acquirers Committee

II. Submission for Inclusion of Sandbox and Extension of the PIDF Scheme

Background & Context: The RBI's Payments Infrastructure Development Fund (PIDF) scheme supports the deployment of digital payment infrastructure, including physical and digital modes, in Tier-3 to Tier-6 cities and the North-Eastern states. Funded by contributions from card networks and banks, PIDF aims to expand digital payments acceptance in underserved regions, enhancing financial inclusion.

Action: PCI made a representation for the addition of sandbox and MPOS to the PIDF scheme.

Outcome: RBI issued PIDF - Extension of Scheme, Enhancements and Status Update on December 29, 2024, covering the addition of the Sandbox to the PIDF scheme.

III. Representation Requesting to Review the Scope of the Sandbox under PIDF Scheme

Background & Context: PCI represented industries

rationale and request for the addition of the soundboxes under the scheme. RBI had kindly acknowledged the recommendations and included the soundboxes in the pursuant update to the PIDF circular.

However, it was highlighted by the industry that the revised circular only includes Soundboxes with Scan & Pay and NFC and not the Soundboxes with just Scan & Pay. The industry is of the view that the current language necessitates that the device must have both scan & pay and near-field communication (NFC) capabilities to qualify for the subsidy, which limits the inclusion of Scan & Pay only soundboxes from the scheme.

Action: PCI submitted a representation requesting RBI to kindly review the scope of the recently added category of Soundboxes and support with required amendments and clarification on the subject to allow the industry to claim for a lower amount of Rs. 1500 against the soundboxes with only Scan & Pay” feature and claim a higher amount of Rs. 2000 for the NFC enabled Soundboxes.

Outcome: The subject is under review by RBI

IV. Representation on the Escrow Accounts Operated by PAs

Background & Context: Under the extant PA-PG Guidelines, non-bank Payment Aggregators ('PA's) are allowed to maintain one Escrow Account with any scheduled commercial bank and are further, at their discretion, allowed to maintain an additional Escrow Account with a different scheduled commercial bank.

Based on representations received from multiple PAs for increasing the number of Escrow Accounts that can be maintained by a PA, RBI sought a brief note on the rationale/need for such increase in the number of Escrow Accounts.

Action: The Payments Council of India (PCI) has engaged with its members and the Reserve Bank of India (RBI) to address these concerns and submitted a representation to the RBI requesting the following changes:

- PAs should be allowed to maintain one Primary Escrow Account with any scheduled commercial bank and have the option to maintain up to five additional Escrow Accounts at their discretion.
- All reporting and audits should be conducted on an aggregated basis across all Escrow Accounts maintained by the PA.

- The beneficial interest of merchants in the Escrow Accounts should be calculated on an aggregate basis of all Escrow Accounts held by the PA.
- Escrow Banks should be permitted to issue guarantees to merchants, as required under any Request for Proposal (RFP), tender, or agreement conditions related to the PA's agreement with the merchant. This would indicate the security of fund settlements from the escrow account to the merchant.
- Each of the Primary and Additional Escrow Accounts can be operated for the permitted debits and credits as specified under Para 8.9 of the PAPG Guidelines, with following caveats:
 - Any inter-escrow Transfers of funds can be only from /to the Primary Escrow Account and not inter-se between the various Additional Escrow Accounts of the PA
 - Transfer to/from any other Escrow Account of any other PA (bank or non-bank) can only be between the Primary Escrow Accounts of the respective parties
 - Any pre-funding funding done by PAs to overcome temporary mismatches shall only be into the Primary Escrow Account and can be withdrawn upon overcoming the mismatch

V. Representation on Request for RBI Guidance on Nodal Account Closure Impact and Migration Challenges to Escrow Account

Background & Context: The extant Guidelines on Regulation of Payment Aggregators and Payment Gateways ('PA-PG Guidelines') envisage that Payment Aggregators ('PA's) maintain and operate an 'Escrow' account for receiving monies collected by them for onward settlement to merchants. The PA-PG Guidelines contains provisions, inter alia, related to the immediate repeal of the November 24, 2009, Aggregator Guidelines for authorized PAs, aspects of operations of the Escrow account in terms of pre-funding of account. Role of Escrow Banker in ensuring compliance with RBI instructions etc.

As PAs implement the Escrow Accounts led mechanism, PAs have faced certain challenges with migration from Nodal to Escrow Account.

Nodal banks are unsure about the closure process, particularly regarding customer refunds and chargebacks. A request has been submitted to the RBI

for guidance on closing nodal accounts and handling refunds/chargebacks.

Action: Pursuant to representations received from some PAs and the discussions held with the members, some of the key aspects that the industry needs clarifications upon /guidance are summarized below:

- Clarification on handling refunds and chargebacks during the closure process.
- Clarity on escrow certificate submissions: The request seeks a defined timeline for submitting quarterly escrow certificates, considering newly authorized entities and migration challenges.
- Extension for nodal closure: The PCI requests an extension on the deadline for closing nodal accounts until a compliant solution for escrow account management is agreed upon with banks.

VI. Framework for On-boarding and Monitoring of Merchants Acquired by PAs –Recommendations

Background & Context: Under the extant PA-PG Guidelines, pursuant to the last clarifications published by the Reserve Bank of India ('RBI') for merchant on-boarding, a non-bank Payment Aggregators (PAs) can have a Board approved policy (Para 7.1 of PAPG Guidelines); there would not be a requirement to carry-out entire process of KYC (in accordance with the KYC guidelines of DoR), in cases where the merchant already has a bank account which is being used for transaction settlement purpose. At the same time, PAs are required to undertake background and antecedent check of the merchants, to ensure the Bonafide's of such merchants and their PA led business activities.

Action: PCI in consultation with the PA members made a representation to the RBI highlighting the concerns faced by the industry.

Card Networks Committee

VII. Representation Requesting Extension of ALT ID Solution Implementation Timeline

Background & Context: Guest Checkout is a transaction flow where cardholders decide to enter the card details manually at the time of undertaking the transaction. This includes the first transaction of

the customer providing consent to create a token (both in the case of COF and in the case of tokenization of recurring payment E-mandate).

An Alt Id is an alternative identifier value instead of PAN and the Alt ID is generated by card issuing network for Guest Checkout transactions. This solution requires the card network to set up an Alt ID Solution. The solution would provide an Alt ID and cryptogram value for each guest checkout transaction, the merchant will orchestrate the transaction request by ingesting the PAN values to this solution to retrieve the AltID and Cryptogram value. Upon the receipt of the AltID and Cryptogram, intermediaries can continue using the Alt ID value for authentication and authorization.

Payments Network had requested for 12 to 18 months for the implementation of the solution. However as per the guidance from the regulator the solution was to be implemented in 6 months

Action:

- PCI submitted a request to extend the implementation timeline by 9 months to complete the implementation and prevent customer disruption and inconvenience.
- The submission highlighted that four out of the planned six phases of the implementation have been completed, emphasizing the uniqueness of the ALT ID solution, which necessitates extensive real-world testing before full-scale deployment.
- It also noted that a tech freeze during the festival season is essential to avoid disruptions for merchants, particularly government and long-tail merchants who require additional time for onboarding.

Outcome: The industry is scaling up rollout and providing progress updates to RBI.

VIII. Representation on Industries request for extending the permitted period of data storage to T+180 days from authorization

Background & Context: In order to assist in the smooth transition to the regulatorily compliant regime for the card on file Tokenization (from 1st October 2022) and for Guest Checkout (from 1st February 2023), the industry wanted to seek to extend the permitted period of data storage to T+180 days from authorization.

Action: PCI on behalf of the payments network industry sought RBI's approval to allow acquiring banks to retain card data pertaining to transactions originating on PAN before the above-mentioned cut of dates for 180 days from the date of authorization.

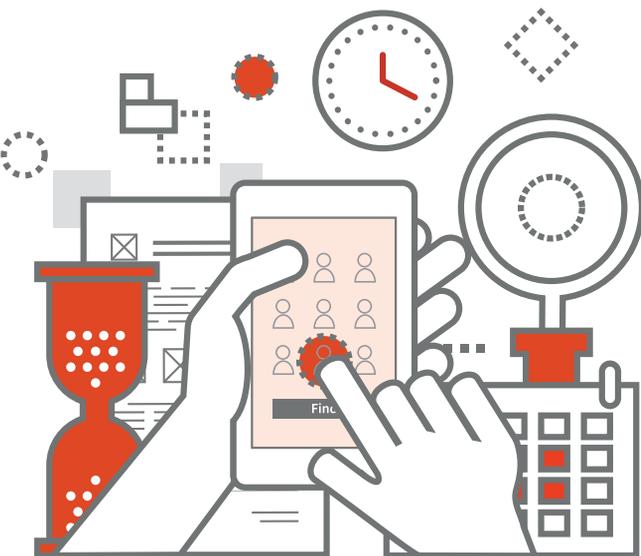
Outcome: RBI acknowledged the industry concerns and permitted the acquiring banks to store actual card details used for guest checkout transaction "Historical" in offline medium

IX. Representation on the Updated Flows and Solution for the Direct Channel Use Case

Background/Context: The Card Networks committee submitted a representation to the Reserve Bank of India (RBI), updating the progress on direct channel use cases for travel and hotel sectors.

Action: The Card Networks Working Group has engaged in multiple discussions with both the Global Distribution Systems (GDS) and the International Air Transport Association (IATA) to better understand regulatory expectations and to develop a comprehensive understanding of indirect channel use cases. The Working Group has proposed a solution to the RBI and is currently seeking guidance on various issues and concerns related to this proposal.

Outcome: Following the submission, the RBI held a discussion with the card networks to understand the proposed solution. The networks are now awaiting responses from the RBI.



International Remittances and Trade Committee

X. Representation on Payment Aggregator – Cross Border Regulations Released by RBI

Background/Context: The Reserve Bank of India came with guidelines for the Payment Aggregator – Cross Border (PA-CB) on October 31st, 2023. The guidelines are an update on the erstwhile OPGSP guidelines, and the suggestions presented by PCI were taken into consideration for the recently released Payment Aggregator – Cross Border (PA-CB) guidelines concerning small value e-commerce imports and exports of goods and services. The regulations distinguish between imports and exports flows and defined the clear guidelines around each aspect.

Action: PCI with Industry Consultation represented to the regulator highlighting Industry concerns. Furthermore, the representation's key highlights were around the timelines, KYC norms, applicability of the regulations, transaction limits, ECA & ICA, and data storage, among others.

XI. Representation on Review of Authorisation Framework Under FEMA Released by RBI

Background/Context: The Reserve Bank of India has released a draft framework for public consultation



rationalising the licensing framework for Authorised Persons (APs) under the Foreign Exchange Management Act (FEMA), on December 26, 2023. The primary areas of focus within this draft framework include the rationalisation of the authorisation framework for money changers, considering the extensive availability of banking services to the public. It also considers alternative models for facilitating services related to foreign exchange, the scope of services offered by AD-CAT II, and a review of the regulatory framework for APs.

Action: The PCI made a representation encapsulating queries and requests for review of the draft framework from the industry. It addresses aspects such as inclusion of forex cards in annual forex turnover and other aspects, per transaction limits, obligations of Forex Correspondents (FxC), limited purpose payment AD Cat I banks, and other ancillary clarifications and requests.

Bharat Bill Payments Operating Units (BBPOUs) Committee

XII. Representation on Updated Master Direction – RBI (Bharat Bill Payment System) Directions

Background/Context: The RBI released Master Direction – Reserve Bank of India (Bharat Bill Payment System) Directions, on February 29, 2024, in response to significant developments in the payments landscape. The revisions aim to streamline the process of bill payments, foster greater participation, and enhance customer protection, among other objectives.

Action: The committee for the Bharat Bill Payment Operating Units (BBPOUs) under the Payments Council of India (PCI) submitted a representation to the Reserve Bank of India (RBI) regarding the updated master directions on BBPS. The representation addressed various aspects, including but not limited to, considerations for biller categories in the BBPS system (for instance, billers belonging to the bill payment category that have not been onboarded onto BBPS and vice versa), clarifications around Prepaid/Recharge Services and Pre-Funded collection arrangements, issues related to Escrow Accounts, complaint management, and other relevant topics.

Outcome: The PCI got clarification on the biller categories including an understanding of what are considered as bills and which categories will come under billers. Furthermore, PCI received an extension in timelines as per request in the representation

made with the RBI to onboard the billers in an official response from the RBI.

GENERAL ADVOCACY AND REPRESENTATIONS

I. Representation on Amendments Made to Master Directions on KYC

Background & Context: RBI had published amendments to the Master Direction on KYC to incorporate the changes to Prevention of Money Laundering (PML) Rules, Unlawful Activities (Prevention) Act (UAPA), 1967, and Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005. These amendments are in line with the recommendations of the Financial Action Task Force (FATF).

Action: In response to these amendments, PCI made the representation proposing the use of a combination of methods to identify customers, doing away with the requirement for registration of an Aadhaar, considering the impact of the complexity of mapping mobile numbers.

The industry has also requested clarity on certain paragraphs or sections of the RBI's master direction to ensure effective implementation of the new requirements. The industry's representation aims to provide practical solutions and seek clarification to facilitate compliance with the amended anti-money laundering and counter-terrorist financing regulations in India.

II. Project Pratima Phase 1 - Standardization of Icons for Basic Use Cases in Retail Payment Applications

Background & Context: Project Pratima is an icon (symbol) library that can be used by all financial institutions in India. This set of icons will be easily recognizable by every Indian irrespective of literacy and education level.

The project has been championed by PCI at the request of RBI and has been supported by the industry. The project has also seen support from Banks and PCI has maintained an active dialogue with IBA to nudge adoption within their members.

Outcome: The open library for standardized icon is now

PROJECT pratima

Final icons

	Send Money
	Request Money
	Bank Transfer
	Transaction History
	UPI ID
	Self Pay
	To Contact
	Scan and Pay
	Check Balance
	Success
	Failure
	Pending

live with 22 members. The PCI secretariat is working on an implementation roadmap for the industry and is closely engaging with all industry stakeholders, including banks, to further the adoption of the icon library.

III. Project Pratima Phase 2 for Standardizing Payment System for the Visually Impaired

Background & Context: Project Pratima Phase 2 aims to standardize the payment system for the visually impaired, making digital payments accessible to them.

Action: PCI with the support from self-nominated industry experts have setup a task force to drive this initiative. The task force will work on defining a broad roadmap for the project including conducting a user case study and recommending the development of a common framework for accessibility audits of digital payment products.

IV. Representation on Draft IFSCA Payments Regulations

Background and Context: the draft regulations cater to PSPs aiming to establish operations in the IFSCA region, providing clear specification of activities included under the definition of “Payment Services”. The draft regulations focused and clearly highlighted the services and operational guidelines around the same to be offered by payment services providers like turnover requirements, data localization requirements, nuances of e-money, etc. The keynote speaker at the webinar was Shri Supriyo Bhattacharjee, Chief General Manager of the Department of Banking Regulation and Development at the International Financial Services Centres Authority (IFSCA).

Action: Following the webinar, PCI submitted a detailed representation. The representation covered various aspects including data localization requirements, payment account issuance and e-money regulations, net worth requirements, Know Your Customer (KYC) procedures, and price capping for services, among others.

V. Representation on Audit Standardization

Background and Context: Representation provides a comparative analysis of audit practices in payment service organizations, focusing on the number of audits conducted, overlapping audits, and the net business implications in terms of time and cost.

Action: In response to these challenges, members deliberated on the issue. PCI submitted a representation to the RBI, highlighting the duplication of efforts in audits.

PCI proposed that the RBI establish a single comprehensive standard for technology controls, derived from multiple well-known international security frameworks. If regulated entities (REs) are audited by a CERT-IN recognised auditor for this standard, redundant audits by individual banks throughout the year could be eliminated.

VI. Digital Payments Awareness Week

Background & Context: The Reserve Bank of India (RBI) launched Digital Payments Awareness Week 2023, mission #HarPaymentDigital, to promote online transactions and financial inclusion. The campaign

aimed to onboard merchants and ambassadors in tier 5 and tier 6 villages.

Action: PCI Members volunteered to adopt villages based on the criteria defined by RBI and organized digital literacy camps with the objective of raising awareness and addressing queries about the use of digital payments. These camps provided information on various payment methods and educated participants on how to operate them effectively

Organisations involved in the initiative: Airtel Payments

Bank, Bank Open, BijiPay, Cred, EaseBuzz, Eko, GooglePay, Infibeam Avenues, ISG, M2P, Mastercard, Mobikwik, Mswipe, NTTdata, Oxymoney, Paul Merchant, PayG, PayPoint, Paytm, PayU, PhiCommerce, PhonePe, Razorpay, Spice Money

Outcome: The campaign's activities encompassed both online and offline initiatives, reaching a significant number of villages across multiple states in India. The efforts of 24 member companies resulted in the campaign's presence in 120 villages spread across 24 states.

Fintech Convergence Council (FCC)

SECTORAL ADVOCACY AND REPRESENTATIONS

Digital Lending Committee

I. Submission to RBI on Recent Regulations' Impacts on the Securitization Market

Background: On December 5, 2022, the RBI revised its Master Directions on the Securitisation of Standard Assets (SSA) and Transfer of Loan Exposures (TLE). The SSA revisions include restricting the securitization of loans with less than 365 days of residual maturity. Changes in the regulatory and accounting landscape have impacted the securitization market, including asset types and the growing use of direct assignments by smaller originators. The committee highlighted key discussion points that could improve transparency and access in the capital market for fintechs and other originators.

Action: FCC submitted to the Reserve Bank of India's (RBI) Fintech, Regulation, and Financial Market Regulation departments, in April 2023, on how new RBI regulations and accounting standards were influencing India's securitization market. The submission pointed out that recent regulatory changes such as restrictions on securitization of short-term loans and changes in asset recognition rules were impacting market dynamics. The committee engaged with RBI to seek clarifications and present their view to the regulator. These rules impacted the fintechs and smaller originators majorly, limiting their access to diversified investor bases, and a reassessment of these regulations

could foster a more accessible and transparent capital market, the FCC argued.

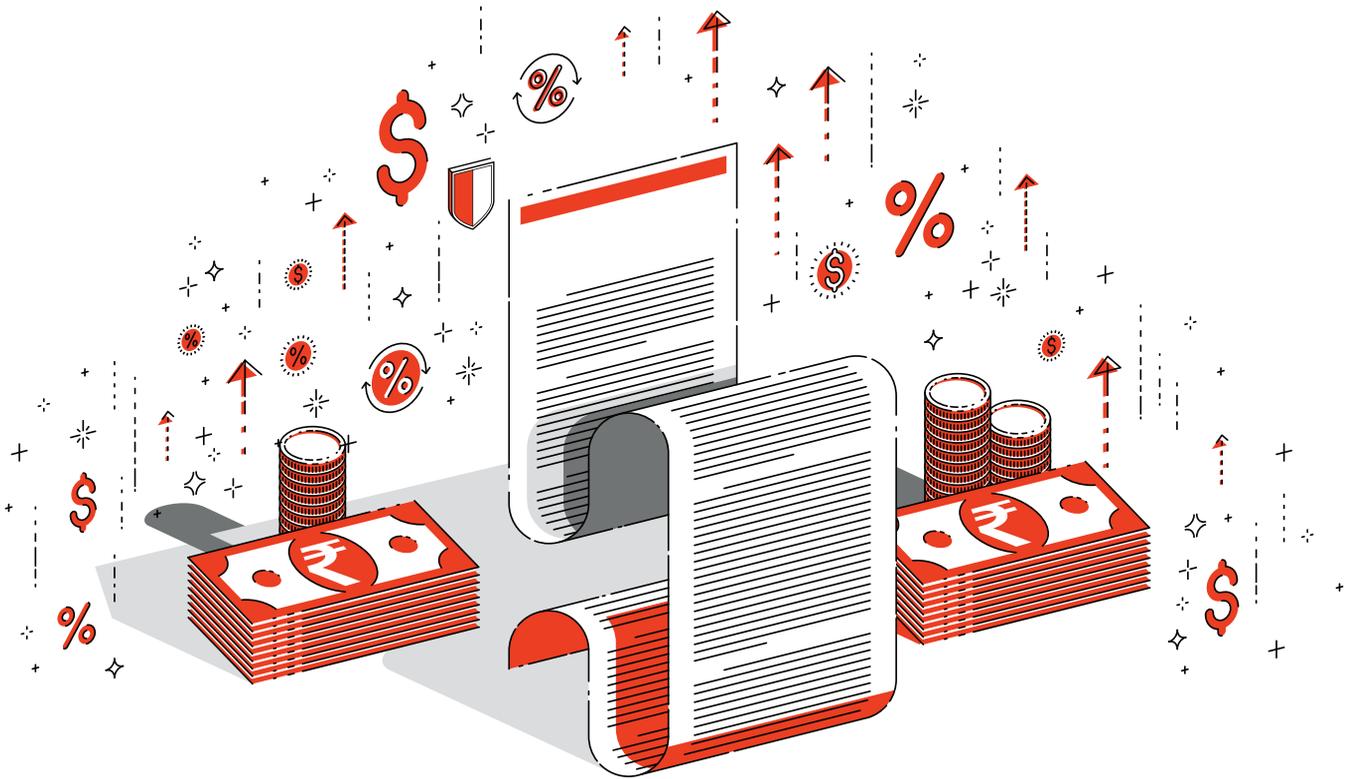
II. Representation with Recommendations Regarding MSME Lending

Background: The MSME sector faces a significant credit demand, and fintechs have successfully delved deeper into fulfilling its specific credit needs. Both traditional entities (REs) and fintechs play distinct roles, with REs contributing regulatory expertise, robust risk management, and access to liabilities, while fintechs leverage technology to provide customized customer experiences in specific areas of focus within the MSME sector. The Lending committee submitted a representation by highlighting the need for credit and providing recommendations.

Action: The lending committee at Fintech Convergence Council, in March 2023 put together a representation with industry recommendations highlighting the concerns and proposed mitigants related to FLDG arrangements between fintechs and REs in MSME lending. The issues include uncapped FLDGs, lack of collateral backing, inadequate disclosure and monitoring mechanisms, and incorrect borrower classification during delinquencies. Clarifications on co-lending arrangements between two NBFCs was also mentioned. FCC continues to engage RBI and other stakeholders on the guidelines and clarifications that are required.

III. Concept Note on Fintech LSPs: The Case for a Better Data Access Framework

Background: Given the rapid growth in Digital Lending, the issuance of the RBI Guidelines on Digital Lending



vide its notification dated September 02, 2022 (“DL Guidelines”) was well timed and very well addresses the specific challenges concerning digital lending. However, certain restrictions under DL Guidelines including specifically the aspect that LSPs/DLAs shall not store the personal information of borrowers except some basic minimal data (viz., name, address, contact details of the customer, etc.) that may be required to carry out their operations is starting to impact the LSPs adversely and calling their sustenance into question.

Action: The Lending Committee at the Fintech Convergence Council in March 2023 put together a representation with industry deliberation. The representation highlighted the importance and need for fintech LSPs to access data while balancing the regulatory objective to safeguard consumer interest and manage data privacy risks.

IV. Representation to RBI Highlighting Differences Between DPDPA, 2023, and CIC’s Existing Framework for Data Management

Background: Credit Information Companies (CICs) are vital to India’s financial system, providing comprehensive credit data for banks and financial institutions. This is done under the Credit Information Companies (Regulations) Act, 2005, without requiring borrower consent, ensuring robust data-backed lending.

However, the new Data Protection and Privacy Act (DPDPA) mandates notice and consent for processing personal data, which could disrupt CIC operations and lead to conflicting policies.

Action: The Bureau committee, which functions under the FCC, made a representation to the RBI, regarding compliance issues with respect to the Credit Information Companies (Regulation) Act, 2005 (CIC Act), and the Digital Personal Data Protection Act, 2023 (DPDPA). The representation emphasized the crucial role of CICs in India’s financial landscape in ensuring data-backed lending decisions. The submission pointed out the conflict between CIC’s existing robust data processing/consent framework and the recently released provisions under DPDPA, and requested clarification in this regard as CICs will have to make major changes in existing processes to adapt to the DPDPA provisions.

V. Representation on Digital Lending Guideline’s Direct Disbursal of Funds

Background: According to the Digital Lending Guidelines (DLG) vide circular no. DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022. According to Annexure I, para (3) of the DLG circular, loan disbursements must be made to the borrower’s bank account, except in specific cases where disbursements can go to the end beneficiary’s account. In digital consumer

finance or embedded finance, loans originated online at the point of sale are currently disbursed to merchants via Payment Aggregators (PA).

However, as per DLG provisions, disbursements for embedded finance must go directly to the merchant's account. We submit that direct disbursement from each lender to each merchant's bank account is not scalable, as detailed in the following paragraphs.

Action: The lending committee made a representation to the RBI addressing concerns regarding the direct disbursement of funds to merchants as mandated by the Digital Lending Guidelines. It highlights operational challenges lenders and merchants face, proposing a recommendation to allow disbursements through authorized Payment Aggregators' escrow accounts, citing regulatory controls and scalability benefits.

Outcome: The same was later addressed in the FAQs issued by RBI stating that it is permitted.

Investment Committee

VI. Industry Feedback to SEBI on Consultation Paper on Introduction of Optional T+0 and Optional Instant Settlement

Background: SEBI, in its endeavour to keep pace with the changing times and carry out its mandate of development of securities markets and investor protection, shortened the settlement cycle T+5 to T+3 in 2002, T+2 in 2003, and T+1 in 2021, fully implemented by January 2023. In an attempt to further draw and retain investors into this asset class, SEBI

released the "Consultation Paper on 'Introduction of optional T+0 and optional Instant Settlement of Trades in addition to T+1 Settlement Cycle in Indian Securities Markets' on 22nd September 2023 reducing settlement time and hence increasing operational efficiency of dealing in Indian securities.

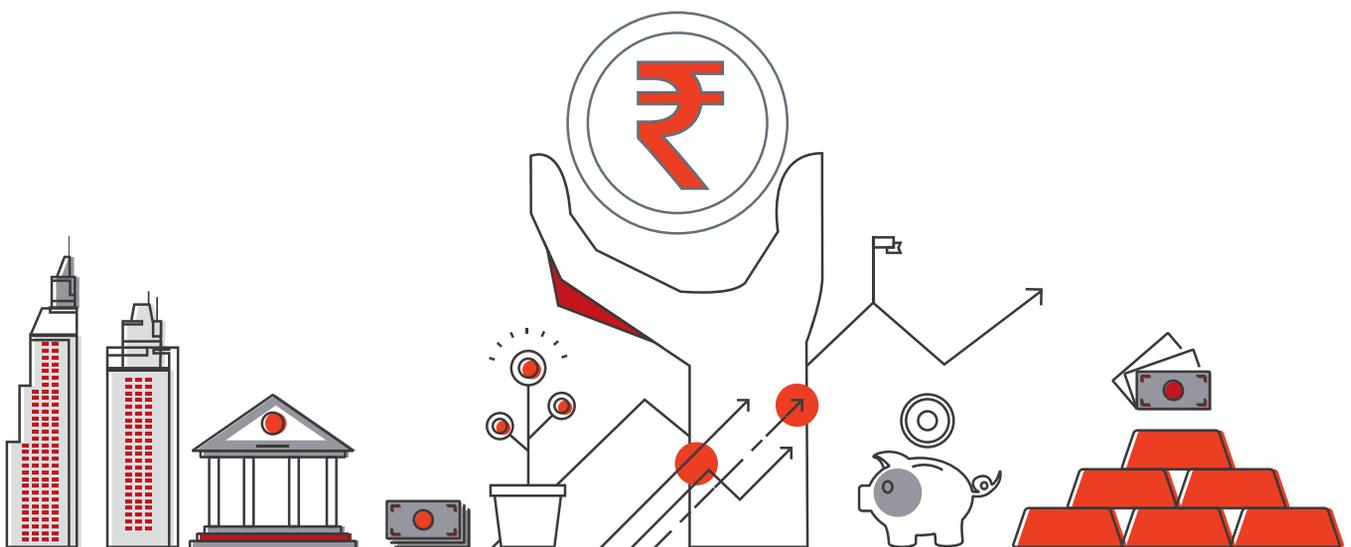
Action: The Investment Committee of the FCC made a representation to the SEBI regarding the Consultation Paper on Introduction of Optional T+0 and Optional Instant Settlement. The representation raised some concerns and put forth certain recommendations around the introduction of the UPI block facility for Phase 1, and the impact of making the early pay-in for T+0 settlement cycle. The representation recommended greater adoption of the optional T+0 settlement cycle, which would enable investors to complete their transactions on the same day. The submission also pointed out that the adoption of T+0 settlement by a substantial number of traders would allow SEBI to consider making T+0 settlement cycle mandatory in the future.

Outcome: The final framework is awaited from SEBI.

VII. Representation to AMFI on Execution-Only Platforms for Mutual Fund Direct Plans

Background: Basis the Regulatory framework for Execution Only Platforms for facilitating transactions in direct plans of schemes of Mutual Funds released by SEBI on 13th June 2023,

Action: The Investment Committee of the FCC made a representation to the Association of Mutual Funds



in India (AMFI) on the execution-only platforms for facilitating transactions in direct plans of schemes of mutual funds. The working group for EOP conducted a series of discussions with AMFI where we emphasized the industry's growth trajectory under this framework, particularly focusing on the high costs associated with acquiring and onboarding new customers.

The representation was made with reference to the SEBI circular on 'Regulatory Framework for execution-only platforms for facilitating transactions in direct plans of schemes of mutual funds' issued on June 13, 2023. The representation requested the establishment of a regulatory framework for the execution-only platforms (EOPs) in Category I to enhance investor protection, quicken procedures, and ensure a transparent and successful transition for mutual fund direct schemes. The Council also made its recommendations on the fee structures for new onboarding to ensure economic viability for the industry and a smooth transition.

VIII. Industry Feedback on Blocking of Funds for Trading in the Secondary Market Consultation Paper 2023

Background: Given the significant developments in the payment mechanisms, SEBI proposed that the RBI-approved Unified Payments Interface (UPI) Mandate service of a single block and multiple debits can be integrated with the secondary markets to provide a blocking mechanism whereby the clients will be able to block funds in their bank account for trading in the secondary market, instead of transferring them up front to the trading member, thereby providing enhanced protection of cash collateral.

Action: The representation was made to qualify the industry's view that the proposed framework to extend the ASBA facility for secondary trading is expected to benefit the ecosystem – investors and market intermediaries like stockbrokers ('brokers'). From an investor's perspective, it is expected to eliminate the need to transfer money to the pool accounts of brokers and as a result, make trading seamless in the secondary market through mandates. From a broker's perspective, given that Clearing Corporations (CCs) will undertake settlement of trades, such brokers will no longer be required to allocate collateral to clients to process trades mutual.

Outcome: The final framework is awaited from SEBI.

InsurTech Committee

IX. Representations on Bima Vahak

Background: The IRDAI introduced the "Bima Vahak" initiative to increase insurance penetration in rural and underserved areas by training local individuals as insurance facilitators. These facilitators educate their communities about insurance products, bridging the gap between providers and potential customers. The program focuses on simple, easy-to-understand insurance options, contributing to financial inclusion and making insurance more accessible at the grassroots level in India

Action: The Insurance committee has made two subsequent representations as given below:

- **Industry Comments on IRDAI (Bima Vahak) Guidelines**

The Insurance Committee of the Fintech Convergence Council (FCC) has submitted a draft comment on the IRDAI circular regarding the "Bima Vahak Guidelines." The committee strongly recommended that the IRDAI adopt an open architectural approach for the Bima Vahak initiative instead of limiting it to collaboration with specific insurance providers. Additionally, the submission advocated for the inclusion of existing registered insurance intermediaries, such as brokers and corporate agents, as Bima Vahaks, both as corporate entities and individuals.

- **Industry representation on the Bima Vahak Guidelines for inclusion of intermediaries**

The industry has submitted a draft comment on the IRDAI circular on "Bima Vahak Guidelines" urging that the IRDAI should use an open architectural approach for the Bima Vahak initiative rather than confining it to working with specific insurers. The industry also advocated that existing registered Insurance Intermediaries such as Brokers and Corporate Agents be allowed to be appointed as Bima Vahaks, both as corporates and individuals.

Outcome: The committee has participated in an open house with IRDAI to address the above-stated challenges and has been actively interacting with the fintech team at IRDAI.

X. Submission on Draft IRDAI (Bima Sugam Insurance E-Marketplace) Regulations, 2024

Background: Basis the Exposure Draft IRDAI (Bima Sugam - Insurance Electronic Marketplace) Regulations, 2024 released on 2nd February 2024, Bima Sugam is aimed at being a one-stop solution for all Insurance stakeholders vis-à-vis customers, insurers, intermediaries or insurance intermediaries and insurance agents to promote transparency, efficiency, and collaboration across the entire insurance value chain, technological innovation in the insurance sector, universalize and democratize insurance and to achieve the vision of “Insurance for all by 2047.” However, the Draft Regulations do not expressly specify any provisions for insurance intermediaries in relation to their intended activity/participation in Bima Sugam.

Action: The FCC’s submission to IRDAI on the draft IRDAI (Bima Sugam Insurance E-Marketplace) Regulations 2024 emphasizes including digital intermediaries for inclusivity, advocating their representation in governance, promoting the marketplace’s complementary role to existing platforms, suggesting data standardization guidelines, and urging collaboration with ONDC. They seek a meeting with IRDAI to discuss these proposals and support intermediaries and Insurtech for sustainable financial services growth. The committee is following up with the relevant office in IRDAI.

Regtech Committee

XI. Submission to MeitY Regarding Aadhar Authentication for Good Governance Rules

Background: To make Aadhaar more user-friendly and enable voluntary use for authentication, it is proposed that entities other than government ministries and departments can prepare proposals to perform Aadhaar authentication for prescribed purposes. An amendment to the Aadhaar Act in 2019 allows entities to perform authentication if the UIDAI is satisfied with their compliance with privacy and security standards. The Aadhaar Authentication for Good Governance Rules, 2020, prescribes that such authentication can be used for good governance, preventing public fund leakage, and improving access to services.

The proposed amendments will allow non-government entities to prepare proposals for Aadhaar

authentication and include promoting ease of living and better access to services as one of the prescribed purposes.

Action: The FCC submitted to the Ministry of Information & Technology (MeitY), in April 2023, seeking clarification on various points of the Aadhaar Authentication for Good Governance (Social Welfare, Innovation, Knowledge) Rules, 2020. The FCC sought clarity on terms such as ‘good governance’ and its relevance to private companies. The FCC submission suggested including more use cases and clearer guidelines for the application process. The FCC submission also recommended a direct Central Government engagement and clearer access to protocols for private entities.

Outcome: The update on amendments is awaited from MeitY.

XII. Representation on Improving the Quality of KYC Data in C-KYCR

Background: The CKYC, managed by CERSAI, is crucial for regulated entities seeking easy access to customer KYC details. Despite the positive impact of CKYC Guidelines in streamlining processes, there’s a challenge hindering interoperable KYC within the CKYC ecosystem, affecting the intended efficiency of completing KYC once. This challenge stems from the reliability and quality of data fetched from CKYCR, including issues like poor image quality and incomplete or outdated customer records. These hurdles make it difficult for entities to efficiently reuse customer KYC data, leading to resource-intensive data enrichment or resorting to obtaining fresh KYC. This strain not only affects efficiency but also negatively impacts the customer onboarding experience, emphasizing the need for improved data quality within the CKYC framework.

Action: The RegTech committee under the Fintech Convergence Council put together an industry representation addressing the challenges in customer data quality. Recommendations include dedicating a page for efficient data retrieval, implementing a file-based upload option for bulk responses, and ensuring a defined data quality standard on CKYCR. Proposals for a Turnaround Time (TAT) definition expanded data sharing beyond photographs and resolving access issues aim to enhance CKYC’s efficiency. Streamlining these aspects will fortify the CKYCR ecosystem, ensuring smoother operations for regulated entities. FCC continues to engage with CERSAI and other stakeholders on the guidelines and clarifications that are required.

iii. Industry Comments on Draft Framework for SRO(s) in the Fintech Sector

Background: Fintechs are transforming financial services by streamlining processes, improving accessibility, and reducing costs. Balancing innovation with regulatory priorities to protect consumers and manage risk is crucial. Self-regulation within the Fintech sector is preferred for achieving this balance. Accordingly, the Reserve Bank released a 'Draft framework for recognizing Self-Regulatory Organisations (SRO) for the Fintech Sector,' on 15th January 2024 detailing the characteristics, functions, and governance standards of a Fintech SRO and inviting comments and feedback from the stakeholders.

Action: FCC submitted feedback from the fintech industry to the RBI regarding the central bank's 'Draft Industry Comments on Draft Framework for Self-Regulatory Organisation(s) in the Fintech Sector issued on 15th Jan 2024. The submission highlighted suggestions on the definition of fintech, Members of SRO-FT, eligibility criteria, and sector-based categorization.

Outcome: The Reserve Bank on 30th May 2024, released the "Framework for Recognising Self-Regulatory Organisation(s) for Fintech Sector".

Webinars, Workshops and Campaigns



I. Webinar on Unlocking the Future of Financial Services and Gift Cards with ONDC

Payments Council of India and Fintech Convergence Council collaborated for a webinar with Open Network for Digital Commerce (ONDC) titled 'Unlocking the Future of Financial Services and Gift Cards with ONDC.' It took place on 18th October, via Webex garnering significant interest with over 130+ attendees.

Key Speaker: Hrushikesh Mehta, SVP of Financial Services at ONDC.



II. Webinar on The Digital Personal Data Protection Bill, 2023:

Payments Council of India and Fintech Convergence Council collaborated for a webinar on The Digital Personal Data Protection Bill, 2023 with PwC. The webinar was all about the upcoming Digital Personal Data Protection Act, 2023 (DPDPA) which deals with the handling of personal information. Organised on 9th October the event attracted over 120+ participants. The webinar covered who the law applies to, the rules to follow, rights over personal data, and consequences for not following the rules.

Key Speaker: Amit Jain, Partner, PwC

III. Webinar on Payment Aggregator and Cross-Border Regulations:

PCI conducted a knowledge session on PA-CB regulations for its members. The session was led by PwC Partner, Fintech and Financial Services – Regulatory. The session delved into key aspects of the regulations and their impact on the industry like KYC, Timelines, Applicability over other mediums of transactions., limits on transactions, and others.

Key Speaker: Amit Jain, Partner, PwC

IV. Virtual Roundtable on Outsourcing of IT Services, on May 22, 2023

The FCC organized a virtual Roundtable on the 'Master Directions Regarding the Outsourcing of IT Services'. The event proved to be a valuable opportunity for knowledge sharing and collaborative problem-solving, as experts explored the implications and implementation issues of the Master Directions on outsourcing in the fintech sector.

Key Speaker: Anu Tiwari, Partner, Cyril Amarchand Mangaldas led the roundtable.

V. Roundtable on IFSCA Regulations, July 28, 2023, in Bengaluru

Event Partner: International Financial Services Centres Authority (IFSCA)

FCC and IFSCA collaboratively organized a roundtable to discuss the “Consultation paper on the proposed IFSCA (Payment Services) Regulations”. Discussions were held on the Regulatory and Tax Framework pertaining to diverse fintech regulations within the IFSCA, along with a comprehensive review of the consultation paper encompassing payment services and other regulations.

Key Speaker: The roundtable was led by Mr. Dipesh Shah, Executive Director, IFSC.



VI. Webinar on Opportunities in Agri-fintech, July 21, 2023

The Agri Fintech Committee of the FCC organised a webinar on the “Introduction to ONDC - Opportunities

in AgriTech for Agri-Fintech Companies” The webinar explored the transformative potential of the Open Network for Digital Commerce (ONDC) in the AgriTech and Agri-fintech sectors. The webinar was attended by more than sixty people and successfully concluded with an interactive Q&A.



VII. Webinar on OCEN’s Role in Lending’s Digital Transformation, November 21, 2023

Event Partner: Open Credit Enablement Network (OCEN)

The FCC collaborated with the OCEN lead Sagar Parekh for a webinar on ‘Open Credit Enablement Network with the Digital Lending Industry’. Over 130 industry professionals participated in the webinar. The discussions provided insights into the crucial role of OCEN in reshaping lending for MSMEs.

Key Speakers: Sagar Parekh, Lead, OCEN



VIII. Webinar on the 'Digital India Act 2023', June 9, 2023

The PCI & the FCC organized a webinar on 'Unleashing the Power of the Digital India Act 2023'. It was attended by more than 70 people. The session revolved around key aspects of the Digital India Act, such as its implications for intermediaries and its significant role in shaping India's fintech and payments sector.

Key Speaker: Rangam Sharma, Counsel, Trilegal



IX. Virtual Masterclass on DPDP and its Impact Across Fintech Ecosystem, December 12, 2023

The PCI & the FCC held an exclusive virtual masterclass focusing on the Digital Personal Data Protection Act (DPDP Act) and its implications on fintech. Over 130 industry professionals joined the webinar.

Key Speakers: The session was conducted by industry experts Sreenidhi Srinivasan, IKIGAI Partner, Data, and Aparajita Srivastava, IKIGAI, Partner, Product and Fintech.

X. Workshop on Building a Robust Fintech Ecosystem in India, April 27-28, 2023, New Delhi

The PCI and the FCC jointly organised a workshop on 'Building a robust fintech ecosystem in India: Deliberating on the opportunities through dialogue on policy, innovation & regulation'. The objective of the workshop was to provide a common platform for stakeholders to deliberate on creating a robust Fintech infrastructure, developing policy recommendations, and harmonizing these towards accelerating the growth of India's Fintech ecosystem.

The agenda covered a wide range of topics including KYC, digital payments, digital lending, emerging technologies in fintech, and investment opportunities. The deliberation involved industry segments such as digital payments, digital lending, wealth management, digital banking, emerging technologies in fintech, financial inclusion, InsurTech, and investments in fintech. Important representatives from the payments, lending, insurance, and financial securities sector were present in the workshop.

Key Speakers: Harsha Bhowmik, Civil Servant (Lateral), Department of Economic Affairs, Ministry of Finance, and Shruti Chandra, Vice President, Invest India, Ministry of Commerce & Industry addressed the workshop.



XI. Knowledge Session on Cybersecurity and Data Privacy in Regtech, February 8, 2024

This session focused on the critical role of cybersecurity within the RegTech ecosystem, emphasizing the importance of protecting sensitive information and maintaining data integrity. It explored how RegTech solutions are designed to safeguard data privacy and streamline consent management, ensuring compliance with evolving regulations. Additionally, the discussion provided insights into navigating the RegTech landscape in the context of the Digital Personal Data Protection (DPDP) framework, highlighting best practices and emerging trends.

Key Speaker: Kannan Subbiah, Principal Consultant at BluBricks Consulting



XII. Knowledge session on Compliance First: A Wake-up Call for the Fintech Industry, February 14, 2024

The session emphasized the critical need for fintech companies to prioritize compliance, information security, and risk management. The discussion highlighted key learnings from recent regulatory actions taken by the Reserve Bank of India (RBI), which underscore the importance of adhering to regulatory requirements to safeguard the industry’s integrity. These actions serve as a precedent, setting a clear expectation for future fintech startups to build robust compliance frameworks from the outset. By prioritizing these aspects, fintechs can ensure sustainable growth, maintain trust with customers, and contribute to the overall stability of the financial ecosystem.

Key Speaker: Rohan Bagai, Senior Partner, AZB and Partners



XIII. Knowledge Session on Managing Risk and Compliance as a Platform with Both Regulated and Unregulated Products, February 23, 2024

The session highlighted the complexities and benefits

of such platform plays. However, it also addressed significant risks, such as over-reliance on platforms by regulated entities (REs) and data privacy issues.

Key discussions included strategies for risk mitigation, such as segregating regulated and unregulated services, maintaining distinct functions and data practices, and ensuring clear UI/UX for consumer clarity. The webinar underscored the necessity for industry-wide compliance measures, advocating for the establishment of Self-Regulatory Organizations (SROs) and proactive engagement with regulators like the RBI. The session concluded with insights into regulatory trends, emphasizing the importance of maintaining a robust compliance framework to navigate the evolving regulatory landscape.

Key Speakers: Astha Srivastava, Principal Associate, Fintech and Product, IKIGAI Law; Aparajita Srivastava, Partner, Fintech and Product, IKIGAI Law

OTHER INITIATIVES

Financial Literacy Campaign

The FCC, alongside active industry players such as Fi Money, StockGro, LoanTap, KarmaLife, Lendingkart Technologies, Sub-K IMPACT Solutions Ltd, Simpl, Experian, PhonePe Insurance, and Cred, spearheads an industry-driven social media campaign initiated on November 5, 2023. The goal is to disseminate essential financial literacy practices, educating users on topics ranging from cybersecurity to common payment fraud. Regular posts, scheduled every month, maintain engagement and consistency, ensuring the campaign’s message reaches a wide audience.

Participating companies unite in this collaborative effort, sharing identical creatives across various social media platforms to amplify the campaign’s message. Through concerted efforts, the campaign garners significant attention, achieving a total of 25k-30k impressions. This substantial reach highlights the effectiveness of collaborative initiatives in addressing crucial societal issues and spreading awareness on financial literacy.



Present

FINTECH PANORAMA

15th to 17th
December 2023

Taj Exotica Resort and Spa,
The Palm, Dubai.

Fintech Panorama 2023

PCI and FCC jointly organized the 3rd edition of Fintech Panorama from December 15th to 17th, 2023, at Taj Exotica, Dubai. The events provided a forum for the industry to meet and interact with the regulator along with participation from 95+ CEOs and founders representing members of PCI and FCC on various themes over two days.



Participants of the Fintech Panorama, 2023

Thought Leadership Reports

I. The Second Wave - Resilient, Inclusive, Exponential Fintech

Partners: BCG

The current global economic landscape has faced challenges including the pandemic, socio-political tensions, rising interest rates, inflation, slowing growth, funding challenges, and currency fluctuations. We foresee future growth prioritizing equity, inclusivity, and resilience. The report analyses global Fintech trends, providing revenue, capital flow data, and projections along with highlighting founders' priorities, threats & opportunities.

II. Moving Beyond SMS based OTPs Enhancing the Security of Digital Transactions and Enabling Seamless Customer Communication.

India has witnessed massive growth in digital payments, but SMS-based OTPs for transaction authentication are increasingly susceptible to fraud. Given the vulnerability, high costs, and issues like SIM-based fraud associated with SMS-based OTPs, PCI prepared this report to propose a framework exploring latest technological developments to enhance the security and safety of digital transactions. The report suggests in-app notifications, web-based messaging apps, and app codes as more secure and cost-effective options.



2. Market Growth & Expansion



2.a 4th Global Fintech Fest, September 5-7, 2023, Jio World Convention Centre, Mumbai

Conference Partners: Google Pay, Amazon Pay, HDFC Bank, State Bank of India, Perfios, PhonePe, Razorpay, Lyra, Discover, M2P, HSBC, VISA, NABARD, Meta, Paytm, Mobikwik, PayU, AU Small Finance Bank, Matrix Partners, Standard Chartered, Fi Money, L&T Finance, OneCard, TransUnion CIBIL, UK FCDO, Australia Trade and Investment Commission, Germany Trade & Invest, Karnataka Bank, Peak XV, Paisabazaar, AWS, Protean eGov Technologies Ltd., Citi Bank, CRED, Airtel Payments Bank, Giesecke+Devrient, DBS Bank, CRIF, JP Morgan, SWIFT, Euronet, Worldline, BharatPe, DMI Finance, Signzy, Slice IT, Equifax, Experian, Zoho and many more.

The Global Fintech Fest 2023 (GFF 2023), organized by the Payments Council of India, the National Payments Corporation of India, and the Fintech Convergence Council, emerged as the pinnacle of global fintech convergence, drawing participants from more than 40 countries, registering over 65,000 footfalls. It served as a platform for the global financial services community to engage in insightful dialogues, share

groundbreaking innovations, and exchange valuable insights shaping future economies. It was supported by the Ministry of Electronics and Information Technology (MeitY), Government of India (GoI), the Department of Economic Affairs, Ministry of Finance, GoI, the Reserve Bank of India, and the International Financial Services Centres Authority (IFSCA), and international organizations such as the World Bank, KNOMAD, the CGAP, and the Women's World Banking. Australia, Brazil, UK, Germany, and Israel were the country partners of GFF 2023.

The three-day conference fostered collaboration among traditional BFSI leaders, fintech innovators, investors, and regulators, laying the groundwork for meaningful industry change and a financial ecosystem benefiting all.

Smt. Nirmala Sitharaman, Union Minister of Finance and Corporate Affairs, inaugurated the conference. Among other notable speakers were Shri Shaktikanta Das, Governor, RBI; Dr. Bhagwat Kishanrao Karad, Minister of State for Finance, GoI; Smt. Madhabi Puri Buch, Chairperson, SEBI; Shri Debasish Panda, Chairperson, IRDAI; Shri K Rajaraman, Chairperson, IFSCA; Shri Dinesh Kumar Khara, Chairman, SBI, Maha Prasad Adhikari, Governor, Nepal Rastra Bank; Soraya M Hakuziyaremye, Vice-Chairperson and Deputy Governor, National Bank of Rwanda, and Aleksii Grym, Head of Fintech, Bank of Finland.

Glimpses of Global Fintech Fest 2023



Smt. Nirmala Sitharaman, Nirmala Sitharaman, Union Minister of Finance and Corporate Affairs unveiling a thought leadership report titled 'The Second Wave – Resilient, Inclusive, Exponential Fintech' after inaugurating the Global Fintech Fest 2023. Others with her on the dais are (L- R) Yash Erande, Partner BCG; Saurabh Tripathi Global Practice Lead- Financial Institutions, Managing Director & Senior Partner, BCG; Vishwas Patel, Director, Infibeam Avenues Limited, and Chairman Payments Council of India; Naveen Surya, Chairman, Fintech Convergence Council and Member GFF 2023 Advisory Board; Kris Gopalakrishnan, Chairman GFF2023 Advisory Board, Chairman, Axilor Ventures and Co-founder, Infosys; G Padmanabhan, Former Executive Director, Reserve Bank of India and Member GFF 2023 Advisory Board; Praveena Rai, COO, National Payments Corporation of India; Dilip Asbe, MD and CEO, National Payments Corporation of India; Srinivas Jain, Executive Director and Head of Strategy, SBI Mutual Fund and Member GFF 2023 Advisory Board.



Smt. Nirmala Sitharaman, Union Minister of Finance and Corporate Affairs, inaugurating the Exhibition at the Global Fintech Fest 2023



Shri Shaktikanta Das, Governor, Reserve Bank of India, addressing the Global Fintech Fest 2023



Dr. Bhagawat Kishan Rao Karad, Minister of State for Finance, Government of India



Shri Priyank Kharge, Minister of Information Technology and Biotechnology, and Rural Development and Panchayat Raj, Government of Karnataka



Shri Debasish Panda, Chairman, IRDA



Shri K Rajaraman, Chairperson, IFSCA



Smt. Madhabi Puri Buch, Chairperson, SEBI



Maha Prasad Adhikari, Governor, Nepal Rastra Bank



Dr. Vivek Joshi, Secretary, Department of Financial Services, Ministry of Finance, Government of India (Left) and Sameer Nigam, Founder and CEO, PhonePe at a Fireside chat



Renny Thomas, Senior Partner, McKinsey (Left) and Thomas Kurian, CEO, Google Cloud Critical Emerging Tech - Product & Design, at a fireside chat



Kris Gopalakrishnan, Chairman, GFF 2023 Advisory Board, Chairman, Axilor Ventures & Co-founder, Infosys



Aleksi Grym, Head of Fintech, Bank of Finland



Janmejaya Sinha, Chairman India, BCG (Left) and Deepak Parekh, Chairman of the Board, HDFC Limited at a fireside chat



Shereen Bhan, Managing Editor, CNBC-TV18 (Left) and K V Kamath, Chairman, National Bank for Financing Infrastructure and Development at a fireside chat



Rajan Anandan, MD, Peak XV and Surge (Left) and Dilip Asbe, MD and CEO, National Payments Corporation of India at a fireside chat



Mahendra Nerurkar, VP, India and Emerging Markets Payments, Amazon Pay (Left) and Shri P Vasudevan, Executive Director, Reserve Bank of India at a fireside chat



(L-R) Soraya M. Hakuzyiarembe, Board Vice Chairperson and Deputy Governor, National Bank of Rwanda; Cecilia Skingsley, Head, BIS Innovation Hub, Bank for International Settlements; Shri Rajesh Bansal, Chief Executive Officer, Reserve Bank Innovation Hub in a fireside chat



(L-R) Rahul Chari, Co-Founder and CTO, PhonePe; Deepak Lalan, Managing Director, Accenture; Shri Suvendu Pati, Chief General Manager, Fintech Department, Reserve Bank of India; Akhil Handa, Chief Digital Officer, Bank of Baroda and Ajay Rajan, Country Head of Digital and Transaction Banking, Yes Bank in a panel discussion



(L-R) Srinivasu MN, Co-founder, Director, Billdesk; Shri Gunveer Singh, Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India; Sandeep Ghosh, Group Country Manager - India and South Asia, Visa; Harshil Mathur, CEO and Co-Founder, Razorpay in a panel discussion



(L-R) Dr. Katja Lasch, Director DAAD Regional Office, German Centre for Research and Innovation (DWIH) New Delhi; Doris Dietze, Head of Digital Finance, Payment Services and Cybersecurity, German Federal Ministry of Finance; Seema Bhardwaj, Director - India, Germany Trade and Invest; Rishabh Jain, Co-founder and CEO, Mewt; Yasmeen Thimiri, Co-Founder and CEO, MYFUNDBOX in a panel discussion



Andy White, CEO, Australian Payments Network (AusPayNet)



Yash Erande, Partner, BCG (Left), and Vladyslav Yatsenko, Co-founder & CTO, Revolut, at a fireside chat

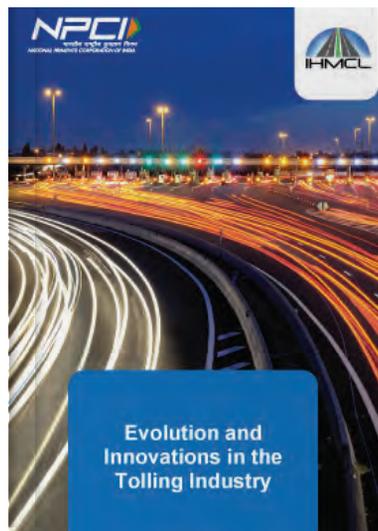
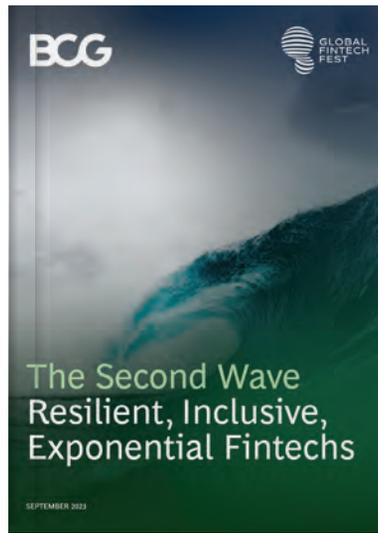


(L-R) Kunal Jhanji, MD and Partner, Head of Payments UK, Belgium and The Netherlands Global co-lead for Digital Assets and Digital Currencies, BCG; H.E. Khaled Al Basias, Director Financial Sector Development, Saudi Central Bank; Masaki Bessho, Head of FinTech Centre, Payment and Settlement Systems Department, Bank of Japan; Rashmi Satpute, Country Manager, India, Wise; Shahrokh Moinian, MD, Head of Payments Europe, Middle East, and Africa, JP Morgan; Abhaya Prasad Hota, Former MD & CEO, NPCI, and Aleksy Grym, Head of Fintech, Bank of Finland in a Panel discussion

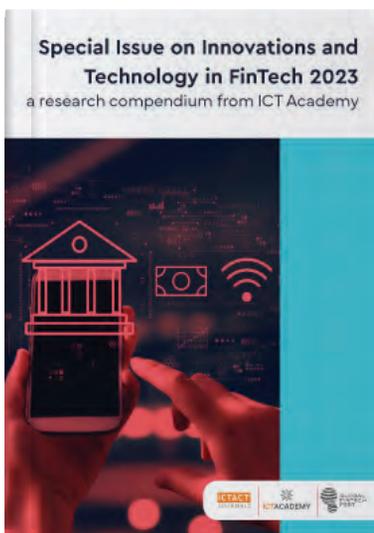
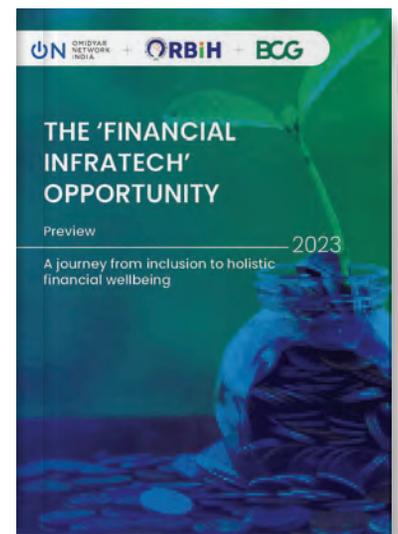
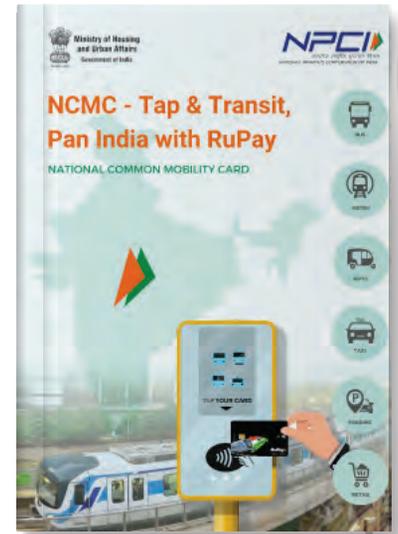
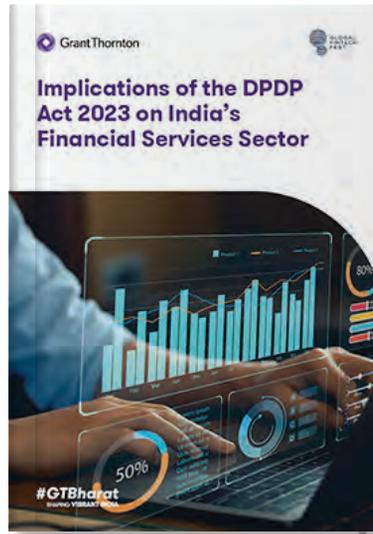


Shereen Bhan, Managing Editor, CNBC-TV18 (Left) and Kunal Shah, Founder, CRED in a fireside chat

Thought Leadership Reports



Thought Leadership Reports





2.b 15th Digital Money, May 8, 2023, Mumbai

Event Partners: Visa, Amazon Pay, PayPal, and Pinelabs

The 15th edition of Digital Money organized by the Payments Council of India (PCI), in collaboration with Lyra, and powered by Razorpay, brought together founders and leaders from the payments industry to explore the future of digital payments in India. The theme of the conference, “From Innovation to Synergies” highlighted the important role of innovation in fuelling growth and expansion.

With over 20 sessions across three tracks, industry stalwarts provided valuable insights on wide range of issues related to the digital payments ecosystem. The conference also facilitated collaboration among stakeholders in the digital payments sector.

Key Speakers: More than 50 speakers addressed the conference including Vishwas Patel, Director, Infbeam Avenues Limited, and Chairman, PCI; Naveen Chaluvadi, Chief Digital Officer, YES Bank; J Venkatramu, MD & CEO, India Post Payments Bank; Naveen Surya, Chairman, Fintech Convergence Council; Noopur Chaturvedi, CEO, NPCI Bharat BillPay Ltd; Christophe Mariette, Commercial Director and Chairman, Lyra Network India; Srinivas Jain, Executive Director and Head of Strategy, SBI Mutual Funds; Vishnu Challam, CEO, Stripe India; Nath Parameshwaran, Senior Director, Corporate Affairs and Board Member, PayPal India; Pranay Jhaveri, Managing Director – India and South Asia, Euronet Worldwide; Sanjeev Kumar, Co-Founder Executive Director & CEO, Spice Money; Ramakrishnan Gopalan, Vice President, Products & Solutions for India & South Asia, Visa, and Rahul Kothari, Chief Business Officer, Razorpay.



(From L to R) Mr. Ramakrishnan Gopalan, Chief Product Officer, India and South Asia, Visa; Mr. Vishwas Patel, Director, Infbeam Avenues and Chairman, PCI, and (Moderator) Ms. Tanya Naik, Head- Online and Omnichannel Business, Plural by Pine Labs at a dialogue during Digital Money 2023



2.c Fintech Outreach Workshop, June 20, 2023, Mumbai

Event Partner: National Payments Corporation of India (NPCI)

The Payments Council of India (PCI) and the Fintech Convergence Council (FCC), in collaboration with the National Payments Corporation of India (NPCI), organized a workshop titled 'NPCI-Fintech Outreach Program'. The main objective of this workshop, held both in-person and online, was to facilitate discussions, collection, and harmonization of suggestions and recommendations from industry stakeholders.

The agenda included informative sessions on RuPay, NETC, E-KYC, NACH & Certification, and UPI, along with valuable networking opportunities. The primary purpose of these discussions was to address any challenges or issues encountered by companies during the integration and implementation of NPCI products into their company. Praveena Rai, Chief Operating Officer, Saurabh Tomar, Head UPI and IMPS products and Kunal Kalawatiya, Chief Product Officer demonstrated different products.

Market Access: Exploratory Trip to Japan 2024

The Payments Council of India and the Fintech Convergence Council jointly organized a learning trip to Japan from March 4th to 8th, 2024, leading an Indian delegation of 8 member companies. The primary objective of this trip was to facilitate the evolution of our ecosystem in line with global technological advancements. It was first of its kind and will be continued in yearly intervals.

The delegation aimed to engage with key players in the Japanese payments and fintech landscape, including incumbents, startups, associations, and participants of the Japan Fintech Festival. The entities got privilege to meet influential organisations like: MUFG, Hitachi, Tokio Marine, CLSA, SMBC, SONY VC, SBI DAH, SMBC Nikko, Mizuho, NTT Data, and MUFG IP. The agenda was designed to foster knowledge exchange, gain insights into the fintech ecosystem, and explore opportunities for potential collaborations.



PCI-FCC joint delegation from India with representatives of the MUFG Bank in Tokyo, Japan

Yono is evolving into a digital bank within the bank: Khara

PIVISH SHUKLA
Mumbai, September 5

STATE BANK OF India's 'You Only Need One' or Yono app has 10 million users and about 35,000 to 50,000 savings bank accounts are being registered daily, said chairman Dinesh Khara at the Global Fintech Festival on Tuesday. As a result, Yono is evolving into a digital bank within the bank.

Overall, 65% of SBI's new accounts are being opened through the app. Further, more than 500,000 recurrence transactions also take place on SBI's Yono app.

"We generate a quarterly income of ₹100 crore through our Yono platform from fees and commissions associated with third-party product offerings," Khara stated.

The Yono app, Khara says, has features such as KYC, in-principle approval mechanism for mortgage loans, car loans and it also offers pre-approved personal loans.

"In a quarter, we have started earning ₹100 crore of fee income only through Yono," the chairman



State Bank of India chairman Dinesh Khara speaking at the Global Fintech Fest in Mumbai on Tuesday

said, adding that SBI can build about ₹20,000-30,000 crore of loan book only through the Yono app.

When asked whether SBI will monetise Yono app by way of public listing, Khara said the bank would instead like to leverage the app for creating more value for all stakeholders. Yono is a distribution plat-

form for SBI, thus the lender cannot sell it, he said.

Speaking about the bank's performance, he said that it is witnessing demand across the corporate and retail sector and is aiming to grow its loan book by 14-16% on a year-on-year basis in the current financial year.

While credit demand from large corporates is visible, partially on account of government's thrust on infrastructure sector, the renewable sector and electric vehicle segments are proving to be the new levers of growth in economy, Khara said.

As of June-end, SBI's total loan book stood at ₹33.09 trillion as of June-end, up 14% year-on-year, about 6% of the bank's loan book consists of retail personal loans while corporate loans account for 35% and small and medium businesses and agricultural account for the rest.

When you work with any finan-

Need to broaden participation to expand digital commerce in India: ONDC's Koshy

So, the biggest initiative is that ONDC is working with agencies like the Small Industries

Development Bank of India (SIDBI), NABARD, many

philanthropic organisations, small and medium enterprises and the agriculture ministry, among others.

Mumbai: The country needs wider participation of buyers and sellers to expand digital commerce in the next few years, Open Network for Digital Commerce (ONDC) CEO T Koshy said on Tuesday. "If you look at today's digital commerce in the country, it is limited to 10 per cent and just 2-3 per cent on the buyer side, so we need to broaden and expand the participation

Payments Council Pings FM to Bring Back RuPay MDR

PCI says RuPay must be provided a 'level playing field to compete with peers to attain full potential'

Tarush Bhalla@timesinternet.in

Bengaluru: The Payments Council of India (PCI), an industry body representing payment fintechs in the country, has written to the finance minister on restoration of merchant discount rate (MDR) for RuPay debit cards, as payment aggregator fintechs continue to lose on revenue lines for processing payments through the card infrastructure.

In the letter, PCI has sought a "level playing field" for RuPay "to compete with its peers to attain its full potential", especially when its "international counterparts", such as Visa and Mastercard, are allowed to charge MDR.

PCI has said that restoration of MDR is critical as it will drive investment in acceptance infrastructure by banks and fintech to cater to unserved and untapped segments, foster innovation in merchant payment solutions, and bring long-term sustainability to the domestic card infrastructure.

ET has reviewed a copy of the letter that was sent to the minister on May 12. "There has been significant growth in the acquiring infrastructure across the nation, however, the required investment and growth in acceptance infrastructure are possible through the restoration of MDR for the RuPay debit card," said the PCI letter signed by its chairman, Vishwas Patel. "RuPay must be provided with a level playing field to compete with its peers to attain its full potential. Its international counterparts are allowed to charge MDR but

there is zero MDR for the RuPay debit card." Queries sent to PCI, NPCI and the finance ministry remained unanswered as of press time.

According to sources, the payments body, which has also been asking the government to bring MDR back on unified payments interface (UPI), is pushing to meet the finance ministry representatives in June on the issue. MDR is a rate charged to a merchant



GROWTH IN RUPAY CARD TRANSACTIONS (IN MILLION)*

FY15	6
FY16	36
FY17	283
FY18	668
FY19	1,127
FY20	1,481
FY21	1,382
FY22	1,516
FY23**	791

*Includes transactions across RuPay debit, credit and prepaid cards.

**Until October 31, 2022

Source: Press Information Bureau



SCAN ME

Digital Money 2023: Experts Explore Synergies to Advance India's Digital Payments Ecosystem

PTI / MAY 9, 2023, 17:44 IST



Mumbai, Maharashtra, India (NewsVair) The 15th edition of Digital Money 2023, organized by the Payments Council of India ... [Read More](#)

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Mumbai, Maharashtra, India (NewsVair) The 15th edition of Digital Money 2023, organized by the Payments Council of India (PCI), concluded on a high note, with discussions around the landscape of digital payments in the country.

The flagship conference brought together industry stalwarts to discuss and deliberate on India's digital payments growth story and its impact across various sectors.



India's Oldest & Largest Digital Payments Conference is Back Digital Money 2023 to Bring Together Payments Industry Leaders

ANI PR 04 May, 2023 06:14 pm IST



India's Oldest & Largest Digital Payments Conference is Back Digital Money 2023 to Bring Together Payments Industry Leaders

Mumbai (Maharashtra) [India], May 4 (ANI/NewsVair): India's oldest and largest conference on digital payments, Digital Money, is back with its 15th edition. The conference is being organised by the Payments Council of India (PCI), in association with Lyra India, on Monday, May 08, 2023, at Taj Santacruz in Mumbai. The premier conference will bring together more than 50 speakers



‘RBI’s guidelines on DLG will cost-effectively deliver essential trust of partner REs’

The stakeholders believe that the

‘RBI’s guidelines on DLG will cost-effectively deliver essential trust of partner REs’

The stakeholders believe that the guidelines will empower banks to implement efficient processes that adhere to the regulatory framework while enabling them to scale their partner-led digital lending initiatives effectively. Here’s what they said:



Vikas Kumar, ETBFSI

Updated On Jun 10, 2023 at 08:29 AM IST



SCAN ME

TECH & INTERNET

Payments council pings FM Nirmala Sitharaman to bring back RuPay MDR



Synopsis

In the letter, PCI has sought a “level playing field” for RuPay “to compete with its peers to attain its full potential”, especially when its “international counterparts”, such as Visa and Mastercard, are allowed to charge MDR.

May 17, 2023, 06:00:00 AM IST

The Payments Council of India (PCI), an industry body representing payment fintechs in the country, has written to the finance minister on restoration of merchant discount rate (MDR) for **RuPay** debit cards, as payment aggregator fintechs continue to lose on revenue lines for processing payments through the card infrastructure.



SCAN ME

4. Governance

PCI and FCC are led by the following industry leaders representing the areas of payments and Fintech

Governing Council - Payments Council of India



Vishwas Patel
Chairperson, Payments Council of India; Joint Managing Director, Infibeam Avenues Limited



Praveena Rai
Co-Chairperson, Payments Council of India; Chief Operating Officer, NPCI



Srinivasu MN
Bill desk, Co-Chairperson Payments Council of India; Founder and Director, BillDesk



Manish Patel
Founder and MD, Mswipe



Pranay Jhaveri
Managing Director – India & South Asia, Euronet Worldwide



Mahendra Nerurkar
VP India & Emerging Markets Payments, Amazon Pay



Bipin Preet Singh
Founder and CEO, Mobikwik



Sameer Nigam
Founder and CEO, Phonepe



Shivnath Thukral
Vice President Public Policy, Meta; Co-Chair, UPI Committee



Anubrata Biswas
MD and CEO, Airtel payments bank



Arun Bansal
MD and CEO Paytm Payments Bank - Co – Chair, Payments Bank



Sandeep Ghosh
Group Country Manager India and South Asia, Visa



Nath Parameswaran
Director Corporate Affairs – India South Asia, PayPal; Chair, International Remittance and Trade Committee

Governing Council – Fintech Convergence Council



Harshvardhan Lunia
Founder & CEO, Lendingkart Technologies;
Chair, FCC and Chair, Digital lending Committee



Jitendra Gupta
Founder, Jupiter; Co-Chair, FCC and Co-chair, DFSP Committee



Hemant Gala
CEO, PhonePe Credit Services; Co-chair, Digital Lending Committee



Prabhakar Tiwari
Chief Growth Officer, Angel One; Chair, Investment Committee



Ujjwal Jain
CEO, PhonePe Wealth Broking; Co-Chair, Investment Committee



Chiranth Patil
Co-Founder & Director, Riskcovry Insurtech Platform; Chair, Insurtech Committee



Pranshu Diwan
Chief Business Officer-Insurance, Paytm Insurance Broking; Co-chair, Insurance Committee



Ankit Ratan
CEO & Co-Founder, Signzy Technologies; Chair, Regtech Committee



Jay Dembani
Head of Products, Hyperverge; Co-chair, Regtech Committee



Sujith Narayanan
Co-Founder & CEO, Fi Money (Epifi Technologies); Chair, DFSP Committee



Achal Mittal
CEO, NDX P2P (Liquiloans); Chair, P2P Lending Committee



Rajat Gandhi
Co-Founder & CEO, Faircent; Co-Chair, P2P Lending Committee

About PCI & FCC

About Payments Council of India

Started in the year 2008 as a Digital Payments committee under IAMAI (Not for Profit Organization), The Payments Council of India (PCI) was converted into a council with its governing board in the year 2013. PCI is the leading industry association representing the diverse ecosystem of digital payment providers in India. As a non-profit organization, PCI aims to drive the growth and development of the payments industry, foster collaboration among stakeholders, and promote a secure, efficient, and inclusive payments ecosystem.

With a membership base of 120+ Members consisting of payment networks, Payments Aggregators, PPI issuers, Payments Banks, payment service providers, and other key non-bank players, PCI serves as a unified voice for the industry, advocating for policies and regulations that facilitate innovation, consumer protection, and industry best practices.

PCI plays a pivotal role in shaping the future of digital payments in India by facilitating knowledge sharing, industry research, and thought leadership. Through various initiatives, events, and working groups, PCI fosters dialogue, promotes industry standards, and addresses emerging challenges to ensure a vibrant and resilient payments landscape.

About Fintech Convergence Council (FCC)

Fintech Convergence Council (FCC), established in 2018, represents financial service providers and fintech companies in the banking and financial service sector.

With a membership of over 160 companies from diverse domains, including digital lending (Consumer, MSME, Asset-Backed Lending, P2P etc.), WealthTech, InsurTech, Digital Financial Service Providers, RegTech, and Credit Bureaus, FCC's mission is to serve as a platform for all stakeholders within the BFSI ecosystem.

The primary focus of the Council is to address the sector-specific challenges faced by the industry. FCC aims to foster discussions on important issues, incorporating diverse perspectives, and promoting the growth of the fintech sector while also actively producing thought leadership content.

FCC works closely with various ministries and regulatory bodies in India, for greater adoption of digital financial services and contribute to the advancement of the fintech ecosystem.

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