

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 2149**

TO BE ANSWERED ON TUESDAY, AUGUST 8, 2023/SRAVANA 17, 1945 (SAKA)

**‘REGISTERING OF FINTECH COMPANIES BYPASSING INDIAN LAWS’**

**2149. SHRI NARANBHAI J. RATHWA:  
SHRI RAJMANI PATEL:**

Will the Minister of **Finance** be pleased to state:

- (a) whether it is a fact that raising of funds is an important source for most of fintech companies in fintech space and these companies are registering in the country by circumventing and bypassing Indian laws;
- (b) if so, the details thereof;
- (c) whether Government is aware that PhonePe has raised money from Tencent and licenses for payment expansion including Non-Banking Financial Company (NBFC) licences; and
- (d) if so, the check and balances done by various agencies and whether approval under Press Note No.3 (PN3) was obtained on the fund raised by PhonePe from China and if not, the reasons therefor?

**ANSWER**

**MINISTER OF STATE (FINANCE)  
(SHRI PANKAJ CHAUDHARY)**

\*\*\*\*\*

Part (a) & (b): Raising of funds is required for businesses including fintech companies. Companies raise funds through institutional investors, private equity, capital markets and various others means. Whenever any case of non-compliance of rules and regulations are received, appropriate action is taken by the concerned Ministry.

Part (c) & (d): The Reserve Bank of India (RBI) has granted PhonePe in-principle authorisation to operate as online Payment Aggregator (PA) in March 2023. At the time of processing of application of aforementioned PA licence, PhonePe did not have any investment from Tencent. Status regarding Press Note No.3 (PN3) dated 17<sup>th</sup> April 2020 related compliance of applications received under Payment and Settlement Systems (PSS) Act, 2007 is checked by the Reserve Bank of India and a declaration is also taken from the applicant. PhonePe has declared its compliance with PN3 of 2020 in August 2023.