



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

Payment and Settlement Systems in India - Recent Major Developments

May 09, 2014

Paper Clearing

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Grid based CTS

- All the three grids have been operationalized viz. Chennai, Mumbai and New Delhi.
- Consequently MICR centers come down from 66 to 28

Retail Electronic - NEFT

Enhance customer service at bank branches - directions issued to banks

- education of staff/officials about NEFT.
- availability of applications forms at all branches.
- prominent display of NEFT charges at branches, agents / business correspondents to carry a printed “charges card” in appropriate vernacular language.

Retail Electronic - NEFT

- at par charges for customers for inter-bank NEFT transactions at both branch locations and CSP/ BC/ agent locations
- invariably send positive confirmation of credit to beneficiary account and
- suo-moto credit of penal charges to customer for delayed credit

Other developments- Prepaid Guidelines

Changes carried out in the existing guidelines on March 28, 2014

- Capital required for new PPI issuers raised to Rs.500 lakhs (from the existing Rs.100 lakhs)
 - net-worth requirement of Rs.100 lakhs to be maintained at all times
- Permissible credits and debits that can be made to escrow account has been clearly laid down
- Reiterated the requirement of cautioning the PPI holders before forfeiting the balance amount in PPI upon the expiry of PPIs in the language / mode preferred by the holder

Other developments

- Clarified that amounts received on account of failed / returned / rejected transactions should be credited to PPI account immediately even if it results in exceeding the limits prescribed for that category of PPI.
- Mandated that PPI issuers are required to report incidences of frauds involving PPI issued by them on a quarterly basis or earlier.

Recommendation of the Technical Committee on Mobile Banking

- standardization of processes such as user registration, user authentication process and user interface
- development of common mobile banking applications and common technological platform;
- providing of fiscal incentives / economic subventions to the stakeholders and technological platforms by Government;
- simplification of m-PIN generation;
- enabling multiple channels (application, SMS, USSD etc.) for mobile banking;
- P2P (Person to Person) transfer based on mobile number and “Aadhaar” number; and
- common USSD gateway for mobile banking.

Virtual Currency

- The Reserve Bank of India has issued a cautionary advise to the users, holders and traders of Virtual Currencies (VCs), including Bitcoins, about the potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to
- Set up an inter-department group to watch developments associated with the usage, holding and trading of VCs under the extant legal and regulatory framework of the country, including Foreign Exchange and Payment Systems laws and regulations on a continuous basis

Other developments

Self assessment Templates- retail payments

- a customised version of self-assessment templates based on the CPSS-IOSCO Principles for FMIs has been introduced for all retail payment operators.

Financial Market Infrastructure

- CCIL has been declared a Qualified Central Counterparty (QCCP) in the Indian jurisdiction on January 01, 2014.
- CCIL has been accorded approval for carrying out Portfolio Compression in Forex Forward Trades for members.
- CCIL has been given approval for commencement of IRS guaranteed settlement

Thank you