**Certificate Course in Digital Banking**

RBI Notifications during the period 1st Jan 2019 to 30th June 2019

RBI/2018-19/206 DBR.LEG.BC.No.47/09.07.005/2018-19 June 10, 2019

All Scheduled Commercial Banks (including RRBs), All Payments Banks, All Small Finance Banks, All Local Area Banks

**Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA)**

Please refer to our circular DBOD.No.Leg.BC.35/09.07.005/2012-13 dated August 10, 2012 on the captioned subject.

2. The Basic Savings Bank Deposit (BSBD) Account was designed as a savings account which will offer certain minimum facilities, free of charge, to the holders of such accounts. In the interest of better customer service, it has been decided to make certain changes in the facilities associated with the account. Banks are now advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance.

1. The deposit of cash at bank branch as well as ATMs/CDMs
2. Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments
3. No limit on number and value of deposits that can be made in a month
4. Minimum of four withdrawals in a month, including ATM withdrawals
5. ATM Card or ATM-cum-Debit Card

The BSBD Account shall be considered a normal banking service available to all.

3. Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure. The availment of such additional services shall be at the option of the customers. However, while offering such additional services, banks shall not require the customer to maintain a minimum balance. Offering such additional services will not make it a non-BSBD Account, so long as the prescribed minimum services are provided free of charge.

4. The holders of BSBD Account will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a BSBD Account. Further, before opening a BSBD account, a bank should take a declaration from the customer that he/she is not having a BSBD account in any other bank.

5. The BSBD Account shall be subject to RBI instructions on KYC/AML for opening of bank accounts issued vide Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on ‘Master Direction - Know Your Customer (KYC) Direction, 2016’, as amended from time to time.

6. The instructions issued on free transactions available for normal savings bank account in own-bank/other bank ATMs vide circulars DPSS.CO.PD.No.316/02.10.002/2014-15 dated August 14, 2014 and DPSS.CO.PD.No.659/02.10.002/2014-15 dated October 10, 2014 are not applicable to BSBD accounts. The minimum free withdrawals available to the BSBD Account holders can be made at all ATMs (own-bank/other bank ATMs).

7. This circular supersedes earlier instructions issued vide circulars DBOD.No. Leg.BC.35/09.07.005/2012-13 dated August 10, 2012 on ‘Financial Inclusion- Access to Banking Services–Basic Savings Bank Deposit Account’ and DBOD.No. Leg.BC.52/09.07.005/2013-14 dated September 11, 2013 on ‘Financial Inclusion- Access to Banking Services – Basic Savings Bank Deposit Account (BSBDA) – FAQs’.

8. These instructions will come into force with effect from July 1, 2019. Banks are advised to frame Board approved policy/ operational guidelines in this regard.

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**Ombudsman Scheme for Digital Transactions, 2019**

Ref. CEPD. PRS. No. 3370/13.01.010/2018-19

Date: January 31, 2019

In exercise of the powers conferred by Section 18 of the Payment and Settlement Systems Act, 2007, being satisfied that in the public interest and in the interest of conduct of business relating to payment systems, it is necessary to provide for a mechanism of Ombudsman for redressal of complaints against deficiency in services related to digital transactions, the Reserve Bank of India hereby directs that, the System Participants defined under the Ombudsman Scheme for Digital Transactions, 2019 shall come within the ambit, and should comply with the provisions of the Ombudsman Scheme for Digital Transactions, 2019.

2. The Scheme shall come into force from January 31, 2019.

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RBI/2018-19/101 DPSS.CO.PD.No.1417/02.14.006/2018-19 January 04, 2019

All Authorised Non-bank Prepaid Payment Instrument Issuers

**Customer Protection – Limiting Liability of Customers in Unauthorised Electronic Payment Transactions in Prepaid Payment Instruments (PPIs) issued by Authorised Non-banks**

Please refer to paragraph 9 of Statement on Developmental and Regulatory Policies regarding framework for limiting customer liability in respect of unauthorised electronic payment transactions involving PPIs, announced in the Fifth Bi-monthly Monetary Policy Statement for 2018-19 by the Reserve Bank of India (RBI).

2. As you are aware, a framework for ‘Risk Management’ and ‘Customer Protection’ has already been laid down in paragraphs 15 and 16 of Master Direction on Issuance and Operation of Prepaid Payment Instruments (PPI MD) issued vide DPSS.CO.PD.No.1164/02.14.006/2017-18 dated October 11, 2017 (updated as on December 29, 2017). With a view to further strengthen customer protection for the PPIs which are issued by entities other than banks, the criteria for determining the customers’ liability in unauthorised electronic payment transactions resulting in debit to their PPIs have been reviewed as under:

**Applicability**

3. The provisions of these directions will be applicable to all authorised non-bank PPI issuers (referred to as ‘PPI issuer’ hereafter). Bank PPI issuers will continue to be guided by DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 or DCBR.BPD.(PCB / RCB). Cir.No.06/12.05.001/2017-18 dated December 14, 2017, as applicable. PPIs issued under the arrangement of PPI-MTS (PPIs for Mass Transit Systems) as per paragraph 10.2 of PPI MD will be outside the purview of these directions except for the cases of contributory fraud / negligence / deficiency on the part of the PPI-MTS issuer.

**Categories of electronic payment transactions**

4. For the purpose of this circular, electronic payment transactions have been divided into two categories:

1. Remote / Online payment transactions (transactions that do not require physical PPIs to be presented at the point of transactions e.g. wallets, card not present (CNP) transactions, etc.).
2. Face-to-face / Proximity payment transactions (transactions which require the physical PPIs such as cards or mobile phones to be present at the point of transactions e.g. transactions at Point of Sale, etc.).

5. Reporting of unauthorised payment transactions by customers to PPI issuers

1. PPI issuers shall ensure that their customers mandatorily register for SMS alerts and wherever available also register for e-mail alerts, for electronic payment transactions.
2. The SMS alert for any payment transaction in the account shall mandatorily be sent to the customers and e-mail alert may additionally be sent, wherever registered. The transaction alert should have a contact number and / or e-mail id on which a customer can report unauthorised transactions or notify the objection.
3. Customers shall be advised to notify the PPI issuer of any unauthorised electronic payment transaction at the earliest and, shall also be informed that longer the time taken to notify the PPI issuer, higher will be the risk of loss to the PPI issuer / customer.
4. To facilitate this, PPI issuers shall provide customers with 24x7 access via website / SMS / e-mail / a dedicated toll-free helpline for reporting unauthorised transactions that have taken place and / or loss or theft of the PPI.
5. Further, a direct link for lodging of complaints, with specific option to report unauthorised electronic payment transactions shall be provided by PPI issuers on mobile app / home page of their website / any other evolving acceptance mode.

The loss / fraud reporting system so established shall also ensure that immediate response (including auto response) is sent to the customers acknowledging the complaint along with the registered complaint number. The communication systems used by PPI issuers to send alerts and receive their responses thereto shall record time and date of delivery of the message and receipt of customer’s response, if any. This shall be important in determining the extent of a customer’s liability. On receipt of report of an unauthorised payment transaction from the customer, PPI issuers shall take immediate action to prevent further unauthorised payment transactions in the PPI.

**Limited liability of a customer**

6. A customer’s liability arising out of an unauthorised payment transaction will be limited to:

|  |
| --- |
| **Customer liability in case of unauthorised electronic payment transactions through a PPI** |
| **S. No.** | **Particulars** | **Maximum Liability of Customer** |
| (a) | Contributory fraud / negligence / deficiency on the part of the PPI issuer, including PPI-MTS issuer (irrespective of whether or not the transaction is reported by the customer) | Zero |
| (b) | Third party breach where the deficiency lies neither with the PPI issuer nor with the customer but lies elsewhere in the system, and the customer notifies the PPI issuer regarding the unauthorised payment transaction. The per transaction customer liability in such cases will depend on the number of days lapsed between the receipt of transaction communication by the customer from the PPI issuer and the reporting of unauthorised transaction by the customer to the PPI issuer - |   |
| i. Within three days# | Zero |
| ii. Within four to seven days# | Transaction value or ₹ 10,000/- per transaction, whichever is lower |
| iii. Beyond seven days# | As per the Board approved policy of the PPI issuer |
| (c) | In cases where the loss is due to negligence by a customer, such as where he / she has shared the payment credentials, the customer will bear the entire loss until he / she reports the unauthorised transaction to the PPI issuer. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the PPI issuer.  |
| (d) | PPI issuers may also, at their discretion, decide to waive off any customer liability in case of unauthorised electronic payment transactions even in cases of customer negligence.  |
| # The number of days mentioned above shall be counted excluding the date of receiving the communication from the PPI issuer.  |

7. On being notified by the customer, the PPI issuer shall credit (notional reversal) the amount involved in the unauthorised electronic payment transaction to the customer’s PPI within 10 days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any), even if such reversal breaches the maximum permissible limit applicable to that type / category of PPI. The credit shall be value-dated to be as of the date of the unauthorised transaction.

8. Further, PPI issuers shall ensure that a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the PPI issuer’s Board approved policy, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of paragraph 6 above. In case the PPI issuer is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the amount as prescribed in paragraph 6 shall be paid to the customer, irrespective of whether the negligence is on the part of customer or otherwise.

**Board approved policy for customer protection**

9. Taking into account the risks arising out of unauthorised debits to PPIs owing to customer negligence / PPI issuer negligence / system frauds / third party breaches, PPI issuers need to clearly define the rights and obligations of customers in case of unauthorised payment transactions in specified scenarios. PPI issuers shall formulate / revise their customer relations policy, with approval of their Boards, to cover aspects of customer protection, including the mechanism of creating customer awareness on the risks and responsibilities involved in electronic payment transactions and customer liability in such cases of unauthorised electronic payment transactions. The policy must be transparent, non-discriminatory and should stipulate the mechanism of compensating the customers for the unauthorised electronic payment transactions and also prescribe the timelines for effecting such compensation. PPI issuers shall provide the details of their Board approved policy in regard to customers’ liability formulated in pursuance of these directions, as well as the provisions of paragraph 15 and 16 of PPI MD, to all customers at the time of issuing the PPI. PPI issuers shall display their Board approved policy, along with the details of grievance handling / escalation procedure, in public domain / website / app for wider dissemination.

**Burden of proof**

10. The burden of proving customer liability in case of unauthorised electronic payment transactions shall lie on the PPI issuer.

**Reporting and monitoring requirements**

11. The PPI issuers shall put in place a suitable mechanism and structure for reporting of the customer liability cases to the Board or one of its Committees. The reporting shall, inter-alia, include volume / number of cases and the aggregate value involved and distribution across various categories of cases. The Board or one of its Committees shall periodically review the unauthorised electronic payment transactions reported by customers or otherwise, as also the action taken thereon, the functioning of the grievance redressal mechanism and take appropriate measures to improve the systems and procedures.

12. Directions contained in paragraph 16.4 of PPI MD as applicable to non-bank PPI issuers are being modified accordingly.

13. The directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007), and shall come into effect from March 01, 2019.

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RBI/2018-2019/208 DPSS (CO) RPPD No.2557/04.03.01/2018-19 June 11, 2019

The Chairman / Managing Director / Chief Executive Officer of member banks participating in RTGS and / or NEFT

**National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) systems – Waiver of charges**

Please refer to paragraph No. 8 of the Second Bi-monthly Monetary Policy Statement on Developmental and Regulatory Policies for 2019-20 dated June 06, 2019 on the above subject. A reference is also invited to the following circulars:

1. DPSS (CO) EPPD No. 2649/04.03.01/2010-11 dated June 02, 2011 on ‘Retail Electronic Payment Systems – Levy of Processing Charges’; and
2. DPSS (CO) RTGS No.1926/04.04.002/2015-16 dated February 4, 2016 on ‘RTGS service charges for members and customers - Rationalisation’.

2. The Reserve Bank has since reviewed the various charges levied by it on the member banks for transactions processed in the RTGS and NEFT systems. In order to provide an impetus to digital funds movement, it has been decided that with effect from July 1, 2019, processing charges and time varying charges levied on banks by Reserve Bank of India (RBI) for outward transactions undertaken using the RTGS system, as also the processing charges levied by RBI for transactions processed in NEFT system will be waived by the Reserve Bank.

3. The banks are advised to pass on the benefits to their customers for undertaking transactions using the RTGS and NEFT systems with effect from July 1, 2019.

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

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RBI/2018-19/189DPSS (CO) RTGS No. 2488/04.04.016/2018-19 May 28, 2019

The Chairman/Managing Director/Chief Executive Officer of member banks participating in RTGS

**Real Time Gross Settlement (RTGS) System – Extension of Timings for Customer Transactions**

A reference is invited to [circular DPSS (CO) RTGS No.492/04.04.002/2015-16 dated September 1, 2015](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10012&Mode=0) on ‘Changes in RTGS time window’ and [circular DPSS (CO) RTGS No.1926/04.04.002/2015-16 dated February 4, 2016](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10260&Mode=0) on ‘RTGS service charges for members and customers - Rationalisation’.

2. It has been decided to extend the timings for customer transactions (initial cut-off) in RTGS from 4:30 pm to 6:00 pm. Accordingly, the RTGS time window with effect from **June 01, 2019** will be as under:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Event** | **Time** |
| 1. | Open for Business | 08:00 hours |
| 2. | Customer transactions (Initial Cut-off) | 18:00 hours |
| 3. | Inter-bank transactions (Final Cut-off) | 19:45 hours |
| 4. | IDL Reversal | 19:45 hours - 20:00 hours |
| 5. | End of Day | 20:00 hours |

3. The time-varying charges for transactions in RTGS from 13:00 hours to 18:00 hours shall be ₹ 5 per outward transaction. The time varying charges structure is as under:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Time of Settlement at the Reserve Bank of India** | **Time varying charge per outward transaction(in addition to flat processing charge) (exclusive of tax, if any)** |
| **From** | **To** |
| 1 | 08:00 hours | 11:00 hours | Nil |
| 2 | After 11:00 hours | 13:00 hours | ₹ 2.00 |
| 3 | After 13:00 hours | 18:00 hours | ₹ 5.00 |
| 4 | After 18:00 hours |   | ₹ 10.00 |

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

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RBI/2018-19/138 DPSS.CO.OD.No.1916/06.07.011/2018-19 March 7, 2019

**White Label ATMs (WLAs) in India – Review of Guidelines**

Please refer to our circulars DPSS.CO.PD.No.2298/02.10.002/2011-2012 dated June 20, 2012, DPSS.CO.PD.No.1088/02.10.003/2013-14 dated November 14, 2013, DPSS.CO.PD.No.1025/02.10.003/2014-2015 dated December 5, 2014 and DPSS.CO.PD.No.1621/02.10.002/2016-17 dated December 30, 2016 prescribing the guidelines / instructions for setting up, owning and operating White Label ATMs (WLAs) in the country.

2. On a review of operations of WLAs and representations received from stakeholders, as also to enhance the viability of WLAs, it has been decided to allow the WLA Operators to : -

1. buy wholesale cash, above a threshold of 1 lakh pieces (and in multiples thereof) of any denomination, directly from the Reserve Bank (Issue Offices) and Currency Chests against full payment.
2. source cash from any scheduled bank, including Cooperative Banks and Regional Rural Banks.
3. offer bill payment and Interoperable Cash Deposit services, subject to technical feasibility and certification by National Payments Corporation of India (NPCI).
4. display advertisements pertaining to non-financial products / services anywhere within the WLA premises, including the WLA screen, except the main signboard. It shall be ensured that the advertisements running on the screen disappear once the customer commences a transaction.

3. The permission to WLA Operators to source cash from retail outlets, accorded vide circular DPSS.CO.PD.No.1621/02.10.002/2016-17 dated December 30, 2016, stands repealed.

4. Further, banks may issue co-branded ATM cards in partnership with the authorised WLA Operators and may extend the benefit of ‘on-us’ transactions to their WLAs as well.

5. All guidelines, safeguards, standards and control measures applicable to banks relating to (a) currency handling, and (b) cyber-security framework for ATMs, shall also be applicable to the WLA Operators.

6. This directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

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