

II Payments System Initiatives

2.1 Several initiatives taken by the Bank for migration of cash payments to the non-cash mode notwithstanding, use of cash is still substantial. The endeavour to migrate cash mode of payment to the non-cash modes, be it paper or electronic, will continue. There have been consistent efforts to move away from paper-based payments to the safer and more efficient electronic modes of payments.

2.2 Outreach of existing payment system products to cover more geographical areas and more segments of the populace in the country shall continue to be focused upon.

2.3 The Bank continues to play an important role in introducing customer service initiatives. Towards this end, the recent steps taken in various payment system segments include – card payments (increasing card security), ATM payments (increasing accessibility to the public, bringing transparency and reasonableness in charges), rationalising charges for electronic payments (NEFT / RTGS) and collection of outstation cheques, mobile payments (issuance of 'Mobile Banking transactions in India - Operative Guidelines for Banks'), pre-paid payment instruments (guidelines on 'Issuance and Operation of Pre-paid Payment Instruments in India (Reserve Bank) Directions, 2009'), etc.

2.4 Competition, encouraging alternate methods of accomplishing the payment requirement and facilitating new initiatives of payment system providers to bring in more efficiency in the existing / new payment systems remain the thrust areas.