

RBI/2003-04/275

DBOD No. FSC.BC. 106/24.01.019/2003-04

June 30, 2004

All Scheduled Commercial Banks

Dear Sir,

Issue of Smart/ Debit Cards

At present, smart cards/ debit cards/ stored value cards/ value added cards etc. can be issued only by banks and non-banking entities are not permitted to issue such cards. Besides, in terms of the paragraph 2 of our Circular DBOD.No. FSC.BC.123/24.01.019/99-2000 dated November 12, 1999, banks were advised that they should not issue smart/ debit cards in tie-up with any other non-bank entities. Banks are advised to scrupulously adhere to the above instructions and not enter into arrangements for issue of such cards through direct or indirect tie-up with any non-banking entity without our prior approval.

Yours faithfully,

(Prashant Saran)
Chief General Manager