



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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DPSS.CO.No.2501/02.14.06/ 2010-11

May 4, 2011

All System Providers, System Participants  
And Prospective prepaid Instrument Issuer

Madam/ Dear Sir

**Policy Guidelines for issuance and operation of Prepaid Instruments in India.**

A reference is invited to [Para 124 of the Monetary Policy statement \(2011-2012\)](#) on the issue of mobile based semi-closed prepaid payment instruments. Attention is also invited to our [circular RBI/2009-10/123- DPSS.PD.No.344/02.14.06/2009-2010 dated August 14, 2009](#) wherein an amendment to Paragraph 3.2 of the policy guidelines on the issue of prepaid instruments in India ([RBI/2008-09/ 458, DPSS.CO.PD.No.1873 /02.14.06/ 2008-09 dated April 27, 2009](#)), was carried out.

2. As per the amendment it was decided to permit **Other Persons** to issue mobile phone based semi-closed system pre-paid payment instruments (semi-closed m-wallets) complying with the above guidelines with the following conditions:

- i. The maximum value of such instruments shall not exceed ₹ 5000/-.
- ii. The purchase/reloading of these instruments against the value of airtime/talktime shall not be permitted.
- iii. This facility shall be enabled only to facilitate purchase of goods and services. Person-to-person transfer of value shall not be permitted

3.The position has been reviewed keeping in view the need to facilitate larger acceptance of mobile phone based prepaid payment instruments (M-wallets) as a mode of payment. Accordingly, it has now been decided to bring semi closed m-wallets on par with the other semi-closed prepaid instruments subject to the following conditions.

- a. The maximum value of such prepaid semi-closed m-wallet shall not exceed ₹ 50,000 as indicated in Para 6.3 of the above guidelines.
- b. The monetary ceilings on prepaid instruments issued based on customer due diligence as laid down in Para 6.4 of the extant guidelines would be applicable to such m-wallets.
- c. The conditions specified at Para 2(ii) & (iii) above will continue to be applicable to such semi-closed m-wallets.
- d. All other conditions specified in the “Policy guidelines for issuance and operation of prepaid instruments in India” would mutatis mutandis apply to such m-wallets.

5. The directive is issued under section 18 of Payment and Settlement Systems Act 2007, (Act 51 of 2007).

Yours faithfully

G. Padmanabhan  
Chief General Manager