



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2011-12/144

DPSS.CO.PD.No. 225 /02.14.006/ 2011-12

August 04, 2011

To

All System Providers, System Participants  
and all other prospective prepaid payment instrument issuers

Dear Sir,

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

A reference is invited to our [circular RBI/2010-11/261DPSS.CO.No. 1041/02.14.006/2010-2011 dated November 04, 2010](#), containing the guidelines for enabling additional category of prepaid payment instruments that could be issued by banks/NBFCs and non-banks.

2. It is advised that it has been decided to permit banks to issue prepaid payment instruments to corporates for onward issuance to their employees, subject to the following conditions:-

- a. Prepaid payment instruments can be issued only to corporate entities listed in any of the stock exchanges in India;
- b. Verification of the identity of the employee shall be the responsibility of the concerned corporate. The bank should put in place proper systems to capture and maintain details of the employees to whom the cards are issued by the corporate along with copies of photograph and identity proof of such employees. The corporate is also required to make available details of bank accounts (if any) of the employees to the bank;
- c. Banks may ensure that the list of authorized signatories approved by the Board of the corporate entity is taken on record and requests from such authorized persons are only accepted for the purpose of loading/activating the prepaid payment instruments;
- d. These prepaid payment instruments shall be loaded only by debit to the bank account, which are subject to full KYC, maintained by the corporate with the same bank. Reloading of these instruments shall also be carried out only by debit to this account;
- e. The maximum value outstanding on individual prepaid payment instruments at any point of time shall not exceed Rs 50,000/-;

- f. Banks shall facilitate transfer of funds from such prepaid payment instruments to a regular bank account of the concerned employee, if requested for;
- g. The banks shall be responsible for all customer service aspects related to these instruments;

3. This directive is issued under section 18, of the Payment and Settlement Systems Act 2007, (Act 51 of 2007).

4. Please acknowledge receipt.

Yours faithfully

Vijay Chugh  
Chief General Manager