



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
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**DRAFT CIRCULAR FOR COMMENTS**

CO.DPSS.POLC.No. S-\*\*\* / 02-14-008 / 2024-25

Date of Issue

All Payment System Providers and Payment System Participants

Madam / Dear Sir,

**Regulation of Payment Aggregators – physical Point of Sale - DRAFT**

Reference is invited to the Reserve Bank of India (RBI) circulars [DPSS.CO.PD.No.1810 / 02.14.008 / 2019-20 dated March 17, 2020](#) and [CO.DPSS.POLC.No.S33 / 02-14-008 / 2020-2021 dated March 31, 2021](#) on “[Guidelines on Regulation of Payment Aggregators and Payment Gateways](#)”, and circular [CO.DPSS.POLC.No.S-761 / 02-14-008 / 2022-23 dated July 28, 2022](#) on “[Regulation of Payment Aggregators – Timeline for submission of applications for authorisation – Review](#)”. Keeping in view the importance of Payment Aggregators (PAs) in the payment ecosystem, these circulars provided for, inter-alia, direct regulation and authorisation of PAs facilitating online / e-commerce payment transactions, by the RBI.

2. The payments ecosystem in India includes (i) online PAs (hereinafter called PA - online Point of Sale (PA - O)), and (ii) PAs which facilitate face-to-face / proximity payment transactions (hereinafter called PA - physical Point of Sale (PA - P)). The Payments Vision 2025 envisages direct regulation of PA-P, and an announcement to this effect was made in the “[Statement on Developmental and Regulatory Policies](#)” dated [September 30, 2022](#).

3. Accordingly, guidelines for entities engaged in face-to-face / proximity payment transactions (PA-P) are provided in [Annex](#).

4. All other provisions of the [RBI circulars dated March 17, 2020](#) and [March 31, 2021](#) and any modifications/amendments to them, not provided for in Annex shall apply *mutatis mutandis* to PA-P.

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

Yours faithfully,

Chief General Manager-in-Charge

Encl.: As above

(RBI circular CO.DPSS.POLC.No. S-\*\*\* / 02-14-008 / 2024-25 dated \*\*\*\*\* \*\*, \*\*\*\*\*)

1. Requirement of authorisation

- 1.1. Banks provide physical PA services as part of their normal banking relationship, and hence, do not require separate authorisation from RBI for the purpose. They shall ensure compliance with these instructions within three months from the date of issue of this circular.
- 1.2. Non-bank entities providing PA-P services as on the date of this circular, shall intimate to RBI within 60 days from the issuance of this circular about their intention to seek authorisation. They shall apply in Form A (as provided in the March 17, 2020 circular) to the RBI for authorisation by May 31, 2025, as per details provided below; they shall be allowed to continue their operations till they receive communication from the RBI regarding fate of their application.
- 1.3. Non-bank PA-O – *authorised as well as those whose application for authorisation is pending with the RBI* – shall seek the approval of Department of Payment and Settlement Systems (DPSS), RBI, Central Office (CO) within 60 calendar days from the date of this circular, about their existing PA-P activity, if they would want to continue it.
- 1.4. The entities, currently carrying out this activity should ensure adherence to the guidelines on governance, merchant on-boarding, customer grievance redressal and dispute management framework, baseline technology recommendations, security, fraud prevention and risk management framework (provided in the March 17, 2020 circular) within a period of three months from the date of this circular. The entity shall ensure compliance with these guidelines on an ongoing basis thereafter. The continued adherence to these guidelines shall be considered while processing the application for authorisation / approval.
- 1.5. In future, an authorised non-bank PA-O (or PA-P) which wants to commence physical (or online) PA activity (as the case may be), shall seek approval from DPSS, RBI, CO prior to commencement of such business.

2. Networth criterion

- 2.1. Non-banks providing PA-P services as on the date of this circular, shall have a minimum networth of ₹15 crore at the time of submitting application to the RBI for authorisation and a minimum networth of ₹25 crore by March 31, 2028. The net-worth of ₹25 crore shall be maintained at all times thereafter.

- 2.2. New non-bank PA-P (i.e. entities which have not commenced operations before the date of this circular) shall have a minimum networth of ₹15 crore at the time of submitting application to the RBI for authorisation and shall attain a minimum networth of ₹25 crore by end of the third financial year of grant of authorisation. The net-worth of ₹25 crore shall be maintained at all times thereafter. Illustratively, if the entity is granted a Certificate of Authorisation on October 1, 2025, it shall achieve the networth of ₹ 25 crore by March 31, 2028.
- 2.3. As part of application, non-bank PA-P (existing on the date of this circular) shall submit a certificate from their statutory auditor (format as prescribed in the circular dated March 17, 2020), along with the latest audited statement(s) of financial accounts, to evidence compliance with the applicable net worth criterion. Newly incorporated non-bank PA-P which may not have audited statement of financial accounts shall submit a certificate from their statutory auditor regarding the current networth along with provisional balance sheet.
- 2.4. All existing non-bank PA-P which are not able to comply with the networth requirement or do not apply for authorisation within the stipulated time frame, shall wind-up PA-P activity by July 31, 2025.
- 2.5. Banks shall close accounts (used for PA activity) of non-bank PA-P (existing as on the date of this circular) by October 31, 2025 unless such PAs produce evidence regarding application for authorisation submitted to the RBI.

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