



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



www.rbi.org.in

RBI/2021-22/146

CO.DPSS.POLC.No.S1264/02-14-003/2021-2022

January 03, 2022

(updated as on August 24, 2023)

The Chairman / Managing Director / Chief Executive Officer
Authorised Payment System Operators and Participants (Banks and Non-banks)

Madam / Dear Sir,

Framework for Facilitating Small Value Digital Payments in Offline Mode

Reserve Bank had, vide [circular dated August 06, 2020](#), permitted a pilot scheme to encourage technological innovations that enable small value digital transactions in offline mode. It was stated therein that the decision on formalising such a system would be based on the experience gained.

2. Pilot testing was undertaken by some entities during the period from September 2020 to July 2021. With encouraging feedback from the pilots, it was announced in the [Statement on Developmental and Regulatory policies dated October 08, 2021](#), that a framework for carrying out small value digital payments in offline mode across the country would be introduced.

3. Accordingly, the framework to enable small value digital payments in offline mode using cards, wallets, mobile devices, etc., is detailed in [Annex](#). Authorised Payment System Operators (PSOs) and Payment System Participants (PSPs) – Acquirers and Issuers (banks and non-banks) - shall ensure compliance with all the applicable instructions.

4. This directive is issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect immediately.

Yours faithfully,

(P Vasudevan)
Chief General Manager

भुगतान और निपटान विभाग, केंद्रीय कार्यालय, 14वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

फोन Tel: (91-22) 2264 4995; फैक्स Fax: (91-22) 22691557; ई-मेल e-mail: cgmdpssco@rbi.org.in

Department of Payment and Settlement Systems, Central Office, 14th Floor, Central Office Building, Shahid Bhagat Singh Road, Fort, Mumbai - 400001

हिंदी आसान है, इसका अभेद है

CO.DPSS.POLC.No.S1264/02-14-003/2021-2022 dated January 03, 2022

An offline payment means a transaction which does not require internet or telecom connectivity to take effect. Authorised Payment System Operators (PSOs) and Payment System Participants (PSPs) – Acquirers and Issuers (banks and non-banks) – desirous to provide / enable payment solutions that facilitate small value digital payments in offline mode shall comply with the following requirements:

- i. Offline payments may be made using any channel or instrument like cards, wallets, mobile devices, etc.
- ii. Offline payments shall be made in proximity (face to face) mode only.
- iii. Offline payment transactions may be offered without Additional Factor of Authentication (AFA).
- iv. Payment instruments shall be enabled for offline transactions based on explicit consent of the customer. Such transactions using cards shall be allowed without a requirement to switch on the contactless transaction channel, in relaxation of terms of DPSS [circular no. DPSS.CO.PD no.1343/02.14.003/2019-20 dated January 15, 2020](#) on Enhancing Security of Card Transactions.
- v. The upper limit of an offline payment transaction shall be ₹ 500. The total limit for offline transactions on a payment instrument shall be ₹2,000 at any point in time. Replenishment of used limit shall be allowed only in online mode with AFA.
- vi. The issuer shall send transaction alerts to users as soon as transaction details are received. There is no compulsion to send alert for each transaction; however, details of each transaction shall be adequately conveyed.
- vii. The acquirer shall incur all liabilities arising out of technical or transaction security issues at merchant's end.
- viii. Offline payments shall be covered under the provisions of RBI's limited customer liability circulars (as amended from time to time - [DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 06, 2017](#); [DCBR.BPD.\(PCB/RCB\).Cir.No.06/12.05.001/2017-18 dated December 14, 2017](#) and para 17 of [Master Direction on Prepaid Payment Instruments dated August 27, 2021](#)).
- ix. The customers shall have recourse to the [Reserve Bank – Integrated Ombudsman Scheme](#), as applicable, for grievance redressal.
- x. Reserve Bank retains the right to stop or modify the operations of any such payment solution that enables small value digital payments in offline mode.