



भारतीय रिज़र्व बैंक
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December 4, 2020

The Chairman / Managing Director / Chief Executive Officer
Authorised Non-bank Payment System Operators

Madam / Dear Sir.

Perpetual Validity for Certificate of Authorisation (CoA) issued to Payment System Operators (PSOs) under Payment and Settlement Systems Act, 2007 (PSS Act)

This has reference to the [Statement on Developmental and Regulatory Policies dated October 9, 2020](#) wherein Reserve Bank of India (RBI) had announced granting of authorisation for all PSOs under PSS Act on a perpetual basis, subject to certain conditions.

2. Currently, RBI grants authorisation to new entities desirous of operating a payment system for specified periods up to five years. Similar approach is adopted for renewal of validity of authorisation to existing entities. To reduce licensing uncertainties and enable PSOs to focus on their business as also to optimise utilisation of regulatory resources, it has been decided to, hereafter, grant authorisation for all PSOs (both new and existing) on a perpetual basis, subject to the usual conditions.

3. For existing authorised PSOs, grant of perpetual validity shall be examined as and when the CoA becomes due for renewal subject to their adherence to the following:

- a) Full compliance with the terms and conditions subject to which authorisation was granted;
- b) Fulfilment of entry norms such as capital, networth requirements, etc.;
- c) No major regulatory or supervisory concerns related to operations of the PSO, as observed during onsite and / or offsite monitoring;
- d) Efficacy of customer grievance redressal mechanism;
- e) No adverse reports from other departments of RBI / regulators / statutory bodies, etc.

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हिंदी आसान है, इसका प्रयोग बढ़ाए



4. Existing PSOs who do not satisfy all conditions will be given one-year renewals to enable them to comply; if any entity fails to do so in a reasonable time, its authorisation may be withdrawn.

5. If an entity becomes non-compliant with any of the conditions of authorisation, RBI may undertake action as deemed fit under the provisions of PSS Act, including imposition of restrictions on payment system operations and / or revocation of CoA.

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

Yours faithfully,

(P Vasudevan)
Chief General Manager