



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, □□□□ □□□□ □□□□ □□□□, फोर्ट, मुंबई-400001
Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort,
Mumbai-400001 फोन/Phone: 022- 22660502

February 23, 2024

Action against Paytm Payments Bank Ltd under Section 35A of the Banking Regulation Act, 1949 – Additional Steps

The Reserve Bank of India, in exercise of its powers under section 35A of the Banking Regulation Act, 1949, had put certain business restrictions on Paytm Payments Bank, vide [Press Releases dated March 11, 2022](#), [January 31](#) and [February 16, 2024](#). [RBI also released a set of FAQs on February 16, 2024](#) for the benefit of customers, wallet holders and merchants who are availing banking services from Paytm Payments Bank.

2. As the Paytm Payments Bank cannot accept further credits into its customer accounts and wallets after March 15, 2024, certain additional steps have become necessary to (i) ensure seamless digital payments by UPI customers using '@paytm' handle operated by the Paytm Payments Bank, and (ii) minimise concentration risk in the UPI system by having multiple payment app providers. The additional steps are as follows:

- i) National Payments Corporation of India (NPCI) has been advised by the RBI to examine the request of One97 Communication Ltd (OCL) to become a Third-Party Application Provider (TPAP) for UPI channel for continued UPI operation of the Paytm app, as per the norms.
- ii) It has been further advised that in the event of NPCI granting TPAP status to OCL, it may be stipulated that '@paytm' handles are to be migrated in a seamless manner from Paytm Payments Bank to a set of newly identified banks to avoid any disruption. No new users are to be added by the said TPAP until all the existing users are migrated satisfactorily to a new handle.
- iii) For seamless migration of '@paytm' handle to other banks, NPCI may facilitate certification of 4-5 banks as Payment Service Provider (PSP) Banks with demonstrated capabilities to process high volume UPI transactions. This is in line with NPCI norms for minimising concentration risk¹.
- iv) For the merchants using PayTM QR Codes, OCL may open the settlement accounts with one or more PSP Banks (other than Paytm Payments Bank).

3. It is further clarified that:

- i) the migration of UPI handles as above is applicable only to such customers and merchants who have a UPI handle '@Paytm'. For others who have a UPI address or handle other than '@Paytm', no action is required to be taken by them.
- ii) Similarly, the customers, whose underlying account/ wallet is currently with Paytm Payments Bank, are advised to make alternative arrangement with other banks

¹ In terms of NPCI circular reference NPCI/UPI/OC-81/2019-20 dated March 2, 2020, large TPAPs shall mandatorily participate in UPI through multibank model only.

well before March 15, 2024, as already advised in the [FAQs released by RBI on February 16, 2024](#).

4. It is reiterated that the holders of FASTag and National Common Mobility Cards (NCMC) issued by Paytm Payments Bank, may make alternative arrangements before March 15, 2024 to avoid any inconvenience.

5. All the above actions are undertaken in the sole interest of protecting the customers and payment system from any possible disruptions and are without any prejudice to the regulatory or supervisory actions initiated by RBI against Paytm Payments Bank.

Press Release: 2023-2024/1926

(Yogesh Dayal)
Chief General Manager