

RBI/2009-10/105  
DPSS.CO.PD.No. 147/02.14.003/ 2009-10

22nd July 2009

To

All System Providers (VISA / MasterCard / American Express),  
All Scheduled Commercial banks

Dear Sir,

**Cash Withdrawal at Point-of-Sale (POS)**

Presently cash withdrawal facility using plastic cards is available only at Automatic Teller Machines (ATMs). As on May 31, 2009, number of ATMs and POS terminals in the country stood at 44,857 and 4,70,237 respectively. The use of debit cards at Point-of-Sale (POS) terminals at different merchant establishments has been steadily increasing. As a further step towards enhancing the customer convenience in using the plastic money, it has been decided to permit cash withdrawals at POS terminals. To start with, this facility will be available for all debit cards issued in India, upto Rs.1000/- per day.

2. The conditions subject to which this facility is being extended is given in the Annex.
3. Banks may obtain the approval of their Board of Directors for offering this facility. The note put up to the Board should incorporate the product profile, risk perceived by the bank and the risk mitigation measures.
4. This circular is being issued in exercise of the powers conferred on the Reserve Bank under Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007).

Yours faithfully

(G.Padmanabhan)  
Chief General Manager

Encl: as above

**Conditions for 'cash withdrawal at Point of Sale (POS)**

1. This facility is available only against debit cards issued in India.
2. The maximum amount that can be withdrawn at POS terminals is fixed at Rs.1000/- per day.
3. This facility may be made available at any merchant establishment designated by the bank after a process of due diligence.
4. The facility is available irrespective of whether the card holder makes a purchase or not.
5. In case the facility is being availed along with the purchase of merchandise, the receipt generated shall separately indicate the amount of cash withdrawn.
6. Banks offering this facility shall put in place a proper customer redressal mechanism. Complaints in this regard will fall within the ambit of the Banking Ombudsman Scheme.
7. Banks offering this facility shall on approval by their respective Boards obtain one time permission of Reserve Bank of India, Department of Banking Operations and Development under Section 23 of the Banking Regulation Act, 1949. (A copy of the Board note / approval may be enclosed.)