

RBI releases framework for offline digital payments

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To push digital transactions in rural and semi-urban areas, the Reserve Bank of India (RBI) on Monday issued a framework allowing offline payments up to Rs 200 per transaction, subject to an overall limit of Rs 2,000.

An offline digital payment means a transaction that does not require internet or telecom connectivity.

Under the offline mode, payments can be carried out face-to-face (proximity mode) using any channel or instrument like cards, wallets, and mobile devices.

These transactions will not require an additional factor of authentication (AFA), the Reserve Bank of India said, adding that since the transactions are offline, alerts (by way of SMS and/or e-mail) will be received by the customer after a time lag.

"Transactions are subject to a limit of Rs 200 per transaction and an overall limit of Rs 2,000 for all transactions until the balance in the account is replenished. Balance replenishment can only occur in an online mode," said the Framework for Facilitating Small Value [Digital Payments](#) in Offline Mode.

The framework incorporates the feedback received from the pilot experiments on offline transactions conducted in different parts of the country during the period from September 2020 to June 2021, it said.

"Offline transactions are expected to give a push to digital transactions in areas with poor or weak internet or telecom connectivity, particularly in semi-urban and rural areas. The new framework is applicable with immediate effect," the RBI said.

The offline mode of payment, it said, can be enabled after obtaining the specific consent of the customer.

The customers, it added, will continue to enjoy protection under the provisions of circulars limiting customer liability and will have recourse to the Reserve Bank Integrated Ombudsman Scheme for grievance redress.

Offline payments can be made using any channel or instrument like cards, wallets, and mobile devices.

"Offline payments shall be made in proximity (face-to-face) mode only," it said and added that such transactions may be offered without AFA.

Also, such transactions using cards should be allowed without a requirement to switch on the contactless transaction channel.

Further, the acquirer should incur all liabilities arising out of technical or transaction security issues at the merchant's end. The RBI also emphasised that offline payments will be covered under the provisions of its limited customer liability circulars.

The RBI has asked all the authorised payment system operators (PSOs) and payment system participants (PSPs) acquirers and issuers (banks and non-banks) to ensure compliance with the instructions.

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