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***Guidelines Set Up By RBI for Digital Wallets in India***

***Under the Payment and Settlement Systems Act, 2007 (PSS Act)***

**Introduction**

In exercise of the powers conferred under Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), the Reserve Bank of India (RBI) being satisfied that it is necessary and expedient in the public interest to do so, hereby, issues these Directions.

**Short title and commencement**

1. These Directions shall be called the Reserve Bank of India (Issuance and Operation of Prepaid Payment Instruments) Directions, 2017 (Master Direction).
2. These Directions shall come into effect from October 11, 2017.
3. Existing authorized Prepaid Payment Instrument (PPI) issuers shall ensure compliance with the revised requirements on or before February 28, 2018, except where timelines have been specified in this Direction.

**Applicability**

The provisions of the Master Direction shall apply to all PPI Issuers, System Providers and System Participants

**Purpose**

1. To provide a framework for authorization, regulation and supervision of entities operating payment systems for issuance of PPIs in the country;
2. To foster competition and encourage innovation in this segment in a prudent manner while taking into account safety and security of transactions as well as systems along with customer protection and convenience.
3. To provide for harmonization and interoperability of PPIs

**Types of PPIs**

PPIs that can be issued in the country are classified under three types viz. (i) Closed System PPIs, (ii) Semi-closed System PPIs, and (iii) Open System PPIs.

* Closed System PPIs:
* Semi-closed System PPIs:
* Open System PPIs:

**Semi-closed PPIs by bank and non-bank PPI Issuers**

Semi-closed PPIs issued by banks and non-banks would have same features, unless otherwise specified.

**(i) PPIs up to Rs.10, 000/- by accepting minimum details of the PPI holder**

1. Bank and non-bank Issuers shall be permitted to issue these PPIs after obtaining minimum details of the PPI holder.
2. The minimum details shall include mobile number verified with One Time Pin (OTP) and self-declaration of name and unique identification number of any of the ‘officially valid document’ defined under Rule 2(d) of the PML Rules 2005, as amended from time to time.
3. These PPIs shall be reloadable in nature and issued only in electronic form, including cards.
4. The amount loaded in such PPIs during any month shall not exceed Rs.10,000/- and the total amount loaded during the financial year shall not exceed Rs.1,00,000/-.
5. The amount outstanding at any point of time in such PPIs shall not exceed Rs.10,000/-
6. The total amount debited from such PPIs during any given month shall not exceed Rs. 10,000/-.
7. These PPIs shall be used only for purchase of goods and services. Funds transfer from such PPIs to bank accounts and also to PPIs of same / other issuers shall not be permitted.
8. There is no separate limit on purchase of goods and services using PPIs and PPI issuer may decide limit for these purposes within the overall PPI limit.
9. These PPIs shall be converted into KYC compliant semi-closed PPIs (as defined in paragraph 9.1(ii)) within a period of 12 months from the date of issue of PPI, failing which no further credit shall be allowed in such PPIs. However, the PPI holder shall be allowed to use the balance available in the PPI.
10. PPI issuers shall ensure that this category of PPI is not issued to the same user in future using the same mobile number and same minimum details.
11. PPI issuers shall give an option to close the PPI at any time and outstanding balance, at the time of closure, shall be transferred at the request of the holder to the ‘own bank account of the PPI holder’ (duly verified by the Issuer), after complying with KYC requirements of the PPI holder. PPI issuers shall also allow to transfer the funds ‘back to source’ (payment source from where the PPI was loaded) at the time of closure.
12. The features of such PPIs shall be clearly communicated to the PPI holder by SMS / e-mail / post or by any other means at the time of issuance of the PPI / before the first loading of funds.

**(ii) PPIs up to Rs.1,00,000/- after completing KYC of the PPI holder**

1. Bank and non-bank Issuers shall be permitted to issue these PPIs after completing KYC of the PPI holder (as indicated in paragraph 6).
2. These PPIs shall be reloadable in nature and issued only in electronic form, including cards.
3. The amount outstanding shall not exceed Rs.1,00,000/- at any point of time.
4. The funds can be transferred ‘back to source’ (payment source from where the PPI was loaded) or ‘own bank account of the PPI holder’ (duly verified by the Issuer). However, PPI issuers shall set the limits taking into account the risk profile of the PPI holders, other operational risks, etc.
5. PPI issuers shall provide the facility of ‘pre-registered beneficiaries’ whereby the PPI holder can register the beneficiaries by providing their bank account details, details of PPIs issued by same issuer (or different issuers as and when permitted), etc.
6. In case of such pre-registered beneficiaries, the funds transfer limit shall not exceed Rs.1,00,000/- per month per beneficiary. PPI issuers shall set the limits within this ceiling taking into account the risk profile of the PPI holders, other operational risks, etc.
7. The funds transfer limits for all other cases shall be restricted to Rs.10,000/- per month.
8. There is no separate limit on purchase of goods and services using PPIs and PPI issuer may decide limit for these purposes within the overall PPI limit.
9. PPI issuers shall clearly indicate these limits to the PPI holders and also provide necessary options to PPI holders to set their own fund transfer limits.
10. PPI issuers shall also give an option to close the PPI and transfer the balance as per the applicable limits of this type of PPI. For this purpose, the Issuers shall provide an option, including at the time of issuing the PPI, to the holder to provide details of pre-designated bank account or other PPIs of same issuer (or other issuers as and when permitted) to which the balance amount available in the PPI shall be transferred in the event of closure of PPI, expiry of validity period of such PPIs, etc.
11. The features of such PPIs shall be clearly communicated to the PPI holder by SMS / e-mail / post or by any other means at the time of issuance of the PPI / before the first loading of funds.

**Open system PPIs after completing KYC of the PPI holder**

1. Only banks shall be permitted to issue open system PPIs after completing KYC of the PPI holder (as indicated in paragraph 6).
2. These PPIs shall be reloadable in nature and issued only in electronic form, including cards.
3. The amount outstanding shall not exceed Rs.1,00,000/- at any point of time.
4. The funds can be transferred ‘back to source’ (payment source from where the PPI was loaded) or ‘own bank account of the PPI holder’ (duly verified by the Issuer). However, PPI issuers shall set the limits taking into account the risk profile of the PPI holders, other operational risks, etc.
5. PPI issuers shall provide the facility of ‘pre-registered beneficiaries’ whereby the PPI holder can register the beneficiaries by providing their bank account details, details of PPIs issued by same issuer (or different issuers as and when permitted), etc.
6. In case of such pre-registered beneficiaries, the funds transfer limit shall not exceed Rs.1,00,000/- per month per beneficiary. PPI issuers shall set the limits within this ceiling taking into account the risk profile of the PPI holders, other operational risks, etc.
7. The funds transfer limits for all other cases shall be restricted to Rs.10,000/- per month.
8. Funds transfer from such PPIs shall also be permitted to other open system PPIs, debit cards and credit cards as per the limits given above.
9. There is no separate limit on purchase of goods and services using PPIs and PPI issuer may decide limit for these purposes within the overall PPI limit.
10. PPI issuers shall clearly indicate these limits to the PPI holders and also provide necessary options to PPI holders to set their own fund transfer limits.
11. PPI issuers shall also give an option to close the PPI and transfer the balance as per the applicable limits of this type of PPI. For this purpose, the Issuers shall provide an option, including at the time of issuing the PPI, to the holder to provide details of pre-designated bank account or other PPIs of same issuer (or other issuers as and when permitted) to which the balance amount available in the PPI shall be transferred in the event of closure of PPI, expiry of validity period of such PPIs, etc.
12. The features of such PPIs shall be clearly communicated to the PPI holder by SMS / e-mail / post or by any other means at the time of issuance of the PPI / before the first loading of funds.

**Eligibility to issue semi-closed and open system PPIs**

* Banks which comply with the eligibility criteria, including those stipulated by the respective regulatory department of RBI, shall be permitted to issue semi-closed and open system PPIs, after obtaining approval from RBI.
* Non-bank entities which comply with the eligibility criteria, including those stipulated by the respective regulatory department of RBI, shall be permitted to issue only semi-closed system PPIs, after obtaining authorization from RBI.

**Capital**

* All non-bank entities (wallet operators) seeking authorization from RBI under the PSS Act shall have a minimum positive net-worth of Rs. 5 crore. And this must be increased to Rs 15 crore within three years.
* All existing non-bank PPI issuers (existing issuers) shall comply with the minimum positive net-worth requirement of Rs. 15 crore for the financial position as on March 31, 2020
* Wallets such as Paytm and Mobikwik need to have a minimum net worth of ₹25 crore from the earlier norms of ₹5 crore paid-up capital and ₹1 crore net worth.

**KYC:** Know Your Customer

As expected, RBI has moved toward full KYC of wallets. Most wallets have, so far, been issued under the limited KYC route (that is, only name and mobile number) that existed under the earlier rules. RBI has now put in place a layered KYC requirement:

* **Limited KYC**: wallets with a monthly limit of Rs 10,000 may be issued with limited KYC (name, mobile number and ID number). However, no wallet-to-wallet or wallet-to-bank account fund transfers are allowed on a limited KYC PPI and such wallets must migrate to a full KYC within 12 months. Limited KYC wallets are not as versatile as they used to be.
* **Full KYC**: All other wallets must be issued on a full KYC basis. The movement to a full KYC policy will significantly increase costs for operators and has been a key industry concern.
* For **existing wallets**, companies need to ensure that they will have full KYC by the end of the December 31 2017

**Safeguards against Money Laundering (KYC / AML / CFT) Provisions**

* The Know Your Customer (KYC) / Anti-Money Laundering (AML) / Combating Financing of Terrorism (CFT) guidelines issued by the Department of Banking Regulation (DBR), RBI, in their “[Master Direction – Know Your Customer (KYC) Directions](https://rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=10292)” updated from time to time, shall apply mutatis mutandis to all the entities issuing PPIs and their agents.
* As PPI issuers are operating a Payment System, provisions of Prevention of Money Laundering Act, 2002 and Rules framed thereunder, as amended from time to time, are also applicable to all PPI issuers. All entities shall put in place necessary systems to ensure compliance with these guidelines.
* PPI issuers shall maintain a log of all the transactions undertaken using the PPIs for at least ten years. This data shall be made available for scrutiny to RBI or any other agency / agencies as may be advised by RBI. The PPI issuers shall also file Suspicious Transaction Reports (STRs) to Financial Intelligence Unit-India (FIU-IND).

**Issuance, loading and reloading of PPIs**

* All entities approved / authorized to issue PPIs by RBI are permitted to issue reloadable or non-reloadable PPIs depending upon the permissible type / category of PPIs as laid down in paragraph 9 and 10 of these Directions.
* PPI issuers shall have a clear laid down policy, duly approved by their Board, for issuance of various types / categories of PPIs and all activities related thereto.
* PPI issuers shall ensure that the name of the company which has received approval / authorization for issuance and operating of PPIs, is prominently displayed along with the PPI brand name in all instances. The authorized entities shall also regularly keep RBI informed regarding the brand names employed / to be employed for their products.
* PPI issuers shall ensure that no interest is payable on PPI balances.
* PPIs shall be permitted to be loaded / reloaded by cash, by debit to a bank account, by credit and debit cards, and other PPIs (as permitted from time to time). The electronic loading / reloading of PPIs shall be through above payment instruments issued only by regulated entities in India and shall be in INR only.
* Cash loading to PPIs shall be limited to Rs.50,000/- per month subject to overall limit of the PPI.
* The PPIs may be issued as cards, wallets, and any such form / instrument which can be used to access the PPI and to use the amount therein. PPIs in the form of paper vouchers shall no longer be issued from the date of this Master Direction except for Meal Paper Vouchers where separate timeline has been indicated.
* Banks shall be permitted to issue and reload PPIs at their branches, ATMs and through their BCs appointed as per the guidelines issued by RBI in this regard.
* Banks and non-banks shall be permitted to issue and reload such payment instruments through their authorized outlets or through their authorized / designated agents subject to following conditions:-

1. There shall be a Board approved policy clearly laying down the framework for engaging agents for the purpose of issuance and reloading of PPIs.
2. Issuers shall carry out proper due diligence of the persons appointed as authorized / designated agents for issue / reloading of permissible categories of PPIs.
3. Issuers shall be responsible for all the PPIs issued by the authorized / designated agents.
4. Issuers shall be responsible as the principal for all acts of omission or commission of their authorized / designated agents, including safety and security aspects.
5. Issuers shall ensure preservation of records and confidentiality of customer information in their possession as well as in the possession of their authorized / designated agents.
6. The PPI issuers shall regularly monitor the activities of their authorized / designated agents and also carry out a review of the performance of various agents engaged by them at least once in a year.
7. Issuers and their authorized / designated agents shall ensure adherence to applicable laws of the land, including KYC / AML / CFT norms as indicated in paragraph 6.

* PPI issuers shall ensure that there is no co-mingling of funds originating from any other activity that the Issuer may be undertaking such as BCs of bank/s, intermediary for payment aggregation, payment gateway facility, etc.

**Validity and Redemption**

* All PPIs issued in the country shall have a minimum validity period of one year from the date of last loading / reloading in the PPI. PPI issuers are free to issue PPIs with a longer validity.
* PPI issuers shall caution the PPI holder at reasonable intervals, during the 45 days’ period prior to expiry of the validity period of the PPI. The caution advice shall be sent by SMS / e-mail / post or by any other means in the language preferred by the holder indicated at the time of issuance of the PPI.
* Non-bank PPI issuers cannot transfer the outstanding balance to their Profit & Loss account for at least three years from the expiry date of PPI. In case the PPI holder approaches the PPI issuer for refund of such amount, at any time after the expiry date of PPI, then the same shall be paid to the PPI holder in a bank account.
* Banks issuing PPIs shall be guided by the instructions on Depositor Education and Awareness Fund issued by Department of Banking Regulation, RBI, vide, [circular DBOD.No.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014](https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=8780&Mode=0), as amended from time to time.
* Issuers shall clearly indicate the expiry period of the PPI to the customer at the time of issuance of PPIs. Such information shall be clearly enunciated in the terms and conditions of sale of PPI. Where applicable, it shall also be clearly outlined on the website / mobile application of the issuer.
* PPIs with no financial transaction for a consecutive period of one year shall be made inactive by the PPI issuers after sending a notice to the PPI holder/s. These can be reactivated only after validation and applicable due diligence. These PPIs shall be reported to RBI separately.
* The holders of PPIs shall be permitted to redeem the outstanding balance in the PPI, if for any reason the scheme is being wound-up or is directed by RBI to be discontinued

**Transactions Limits**

* **Limited KYC:** The aggregate monthly transaction cap on a limited KYC wallet has been reduced from Rs 20,000 to Rs 10,000
* **Full KYC:** While the aggregate monthly transaction cap on a full KYC wallet remains unchanged at Rs 1 lakh

**Handling refunds**

* Refunds in case of failed / returned / rejected / cancelled transactions shall be applied to the respective PPI immediately, to the extent that payment was made initially by debit to the PPI, even if such application of funds results in exceeding the limits prescribed for that type / category of PPI.
* However, refunds in case of failed / returned / rejected / cancelled transactions using any other payment instrument shall not be credited to PPI.
* PPI issuers shall be required to maintain complete details of such returns / refunds, etc., and be in readiness to provide them as and when called for.
* Further, PPIs issuers shall also put in place necessary systems that enable them to monitor frequent instances of refunds taking in place in specific PPIs and be in a position to substantiate with proof for audit / scrutiny purposes.
* In the case of open system PPIs, cash withdrawal at Point of Sale (POS) terminals shall be permitted up to a limit of Rs.2000/- per day in rural areas and Rs.1000/- per day in other areas, subject to the same conditions as applicable hitherto to debit cards (for cash withdrawal at POS).

**Interoperability for PPIs**

The ability of customers to use a set of payment instruments seamlessly with other users within the segment are based on adoption of common standards by all providers of these services so as to make them inter-operable. Accordingly, it has been decided as under:

* Interoperability shall be enabled in phases for the PPIs.
* In the first phase, PPI Issuers (both bank and non-bank entities) shall make all KYC-compliant PPIs issued in the form of wallets interoperable amongst themselves through Unified Payments Interface (UPI) within 6 months from the date of issue of this Direction.
* In subsequent phases, interoperability shall be enabled between wallets and bank accounts through UPI.
* Similarly, interoperability for PPIs issued in the form of cards shall also be enabled in due course. However, banks may continue to issue PPIs in association with authorized card networks, as hitherto.
* PPI Issuers shall ensure adherence to the technical and operational requirements for such interoperability, including those relating to safety and security, risk mitigation, etc.
* The operational guidelines will be issued separately.

**Two-factor authentication**

The draft regulations issued by RBI in March contemplated a two-factor authentication (2FA) for all wallet transactions. 2FA is currently only required for credit cards. The 2FA completely changes the ‘look and feel’ of a wallet and was something industry was strongly opposed to. The new regulations require 2FA for all ‘successive payment transactions’ and for all ‘cards (physical or virtual)’. It is unclear what the intent is and whether all wallet payments will now require 2FA. This is an important aspect requiring clarification.

**Conversion**

To allow for seamless usage, PPI operators must ensure that full KYC on all existing wallets is completed by 31 December this year. This is a high-cost exercise. A full KYC requires the physical presence of the customer, which, for most operators means sending an agent to the customer location to complete the process. The regulations should ideally permit digital verification of KYC documents or remote Aadhaar-enabled KYC (without requiring the physical presence of the customer).

The exponential growth in digital payments did indeed trigger a need for changes to the regulation. A key industry concern going forward will be managing KYC costs. There is significant scope for innovation in technology (leveraging of the Aadhaar database) to bring down costs of operation, provided the regulations allow processes such as remote KYC. The wallet has emerged as a very popular payment instrument and the regulations, to some extent, lay the groundwork for greater usage – not only as a payment tool but also as a distribution platform for a wider set of financial services and product

**Glossary:**

|  |  |  |
| --- | --- | --- |
| **Terms** | **Abbreviations** | **Definitions** |
| Reserve Bank of India | RBI | The Reserve Bank of India (RBI) is India's [central banking](https://en.wikipedia.org/wiki/Central_bank) institution, which controls the [monetary policy](https://en.wikipedia.org/wiki/Monetary_policy) of the [Indian rupee](https://en.wikipedia.org/wiki/Indian_rupee).  The RBI plays an important part in the Development Strategy of the [Government of India](https://en.wikipedia.org/wiki/Government_of_India). It is a member bank of the [Asian Clearing Union](https://en.wikipedia.org/wiki/Asian_Clearing_Union) |
| Prepaid Payment Instruments | PPIs | PPIs are payment instruments that facilitate purchase of goods and services, including financial services, remittance facilities, etc., against the value stored on such instruments. PPIs that can be issued in the country are classified under three types viz. (i) Closed System PPIs, (ii) Semi-closed System PPIs, and (iii) Open System PPIs. |
| Closed System PPIs |  | These PPIs are issued by an entity for facilitating the purchase of goods and services from that entity only and do not permit cash withdrawal. As these instruments cannot be used for payments or settlement for third party services, the issuance and operation of such instruments is not classified as payment systems requiring approval / authorization by the RBI. |
| Semi-Closed System PPIs |  | These PPIs are used for purchase of goods and services, including financial services, remittance facilities, etc., at a group of clearly identified merchant locations / establishments which have a specific contract with the issuer (or contract through a payment aggregator / payment gateway) to accept the PPIs as payment instruments. These instruments do not permit cash withdrawal, irrespective of whether they are issued by banks or non-banks. |
| Open System PPIs: |  | These PPIs are issued only by banks and are used at any merchant for purchase of goods and services, including financial services, remittance facilities, etc. Banks issuing such PPIs shall also facilitate cash withdrawal at ATMs / Point of Sale (PoS) / Business Correspondents (BCs). |
| Payment and Settlement Systems | PSS | Payment and settlement systems in India are [payment](https://en.wikipedia.org/wiki/Payment_system) and [settlement](https://en.wikipedia.org/wiki/Settlement_(finance)) systems in India for financial transactions. They are covered by the Payment and Settlement Systems Act, 2007 (PSS Act), legislated in December 2007 and regulated by the [Reserve Bank of India](https://en.wikipedia.org/wiki/Reserve_Bank_of_India) and the *Board for Regulation and Supervision of Payment and Settlement Systems*.[[1]](https://en.wikipedia.org/wiki/Payment_and_settlement_systems_in_India#cite_note-rbi-neft-1)  India has multiple payments and settlement systems, both gross and net settlement systems. For gross settlement India has a [Real Time Gross Settlement](https://en.wikipedia.org/wiki/Real_Time_Gross_Settlement) (RTGS) system called by the same name and net settlement systems include Electronic Clearing Services (ECS Credit), Electronic Clearing Services (ECS Debit), [credit cards](https://en.wikipedia.org/wiki/Credit_cards), [debit cards](https://en.wikipedia.org/wiki/Debit_cards), the [National Electronic Fund Transfer](https://en.wikipedia.org/wiki/National_Electronic_Fund_Transfer) (NEFT) system and [Immediate Payment Service](https://en.wikipedia.org/wiki/Immediate_Payment_Service). |
| Issuer |  | Entities operating the payment systems issuing PPIs to individuals / organizations. The money so collected is used by these entities to make payment to the merchants who are part of the acceptance arrangement and for facilitating funds transfer / remittance services |
| Holder |  | Individuals / Organizations who obtain / purchase PPIs from the issuers and use the same for purchase of goods and services, including financial services, remittance facilities, etc. |
| Limits: |  | All ‘limits’ in the value of instruments stated in the Master Direction, indicate the maximum value of such instruments, denominated in INR, that shall be issued to any holder, unless otherwise specified |
| Merchants: |  | These are establishments who have a specific contract to accept the PPIs issued by the PPI issuer (or contract through a payment aggregator / payment gateway) against the sale of goods and services, including financial services. |
| Net-Worth: |  | Net-worth will consist of ‘paid up equity capital, preference shares which are compulsorily convertible into equity capital, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets’ adjusted for ‘accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any’. It shall be noted that while compulsorily convertible preference shares reckoned for computation of net-worth can be either non-cumulative or cumulative, these should be compulsorily convertible into equity shares and the shareholder agreements should specifically prohibit any withdrawal of this preference share capital at any time. |
| Digital Wallet | E-wallet | A digital wallet refers to an electronic device or online service that allows an individual to make electronic transactions. This can include purchasing items on-line with a computer or using a smartphone to purchase something at a store. An individual's bank account can also be linked to the digital wallet. |
| Unified Payments Interface | UPI | It is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts. |
| National Payments Corporation of India | NPCI | National Payments Corporation of India (NPCI, [Hindi](https://en.wikipedia.org/wiki/Hindi_language): भारतीय राष्ट्रीय भुगतान निगम) is an umbrella organization for operating retail payments and settlement systems in India. |
| Immediate Payment Service | IMPS | It is an [instant payment](https://en.wikipedia.org/wiki/Instant_payment) inter-bank [electronic funds transfer](https://en.wikipedia.org/wiki/Electronic_funds_transfer) system in [India](https://en.wikipedia.org/wiki/India). IMPS offer an inter-bank electronic fund transfer service through mobile phones. Unlike [NEFT](https://en.wikipedia.org/wiki/NEFT) and [RTGS](https://en.wikipedia.org/wiki/Real-time_gross_settlement), the service is available 24/7 throughout the year including bank holidays |
| National Electronic Funds Transfer | NEFT | It is a nation-wide payment system. Under this Scheme, individuals can electronically transfer funds from any bank branch to any individual having an account with any other bank branch in the country participating in the Scheme. NEFT transactions are settled in batches. |
| Real Time Gross Settlement | RTGS | It is the a continuous process of settling payments on an individual order basis without netting debits with credits across the books of a central bank (e.g. bundling transactions). |
| Interoperability |  | The ability of customers to use a set of payment instruments seamlessly with other users within the segment are based on adoption of common standards by all providers of these services so as to make them inter-operable |
| One-Time Password | OTP | A one-time password (OTP), also known as one-time pin, is a password that is valid for only one login session or transaction, on a computer system or other digital device. OTPs avoid a number of shortcomings that are associated with traditional (static) password-based authentication; a number of implementations also incorporate two factor authentication by ensuring that the one-time password requires access to *something a person has* (such as a small keyring fob device with the OTP calculator built into it, or a smartcard or specific cellphone) as well as *something a person knows* (such as a PIN). |
| Know Your Customer | KYC | KYC or the ‘Know Your Customer’ form is used by the bank to know more about you when you want to open an account or restart a dormant account.  The bank asks you for your KYC documents, which include your ID Proof, Address Proof and any recent passport size photograph. |
| Anti-Money-Laundering | AML | AML refers to a set of procedures, laws and regulations designed to stop the practice of generating income through illegal actions. Though AML laws cover a relatively limited number of transactions and criminal behaviors, their implications are far-reaching. |
| Combating The Financing of Terrorism | CFTS | CFT involves investigating; analyzing, deterring and preventing sources of funding for activities intended to achieve political, religious or ideological goals through violence and the threat of violence against civilians. By tracking down the source of the funds that support terrorist activities, law enforcement may be able to prevent some of those activities from occurring  . |

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