



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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DPSS.CO.PD.No.1610/02.14.006/2016-17

December 27, 2016

All Prepaid Payment Instrument Issuers,
System Providers, System Participants and
all other Prospective Prepaid Payment Instrument Issuers

Dear Madam / Sir,

**Master Circular on Issuance and Operations of Prepaid Payment Instruments –
Amendments to paragraph 7.9**

A reference is invited to [paragraph 7.9](#) of our Master circular DPSS.PD.CO.PPI.No.01 /02.14.006/2016-17 dated July 01, 2016 on Issuance and Operations of Prepaid Payment Instrument (PPIs) in India.

2. In order to facilitate greater adoption of digital payments, the instructions contained in paragraph 7.9 of the above circular have been partially modified as under:

- i. Banks may extend the provisions of [paragraph 7.9](#) of Master Circular on PPIs dated July 01, 2016 to include other entities / 'employers' such as unlisted corporates / partnership firms / sole proprietorship / public organizations like municipal corporations, urban local bodies, etc. (employers) for onward issuance to their staff / employees / contract workers, etc.
- ii. Banks shall extend this facility only to those entities / 'employers' that have a bank account with them and after obtaining an undertaking that they are not availing of this facility from any other bank.
- iii. Verification of the identity of the staff / employees / contract workers, etc. shall be the responsibility of the concerned 'employer'. The bank should put in place proper systems

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to capture and maintain details of the employees to whom the cards are issued by the 'employer' along with copies of photograph and identity proof of such employees. The 'employer' is also required to make available details of bank accounts (if any) of the employees to the bank.

- iv. Banks shall load/reload PPIs after obtaining necessary authorisation and above mentioned details of the employees/staff/contract workers, etc. from the 'employers'.
- v. Extant instructions of paragraph 7.9 (d), (e), (f) and (g) continue to be applicable.

3. The above changes shall come into effect from the date of this circular.

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

Yours faithfully

(Nilima Ramteke)
General Manager