

PCI welcomes RBI's circular on processing of e-mandate on cards for recurring transactions

Mumbai, 22nd August 2019: The Payments Council of India (PCI) which represents the players in the payments and settlements systems welcome the move of Reserve Bank of India (RBI) of allowing processing of e-mandate on cards for recurring transactions. "This RBI directive would drive the growth for subscription-based recurring payments and will reduce failure rates besides bringing convenience to consumers", says Naveen Surya, the Chairman Emeritus, PCI & Chairman, Fintech Convergence Council.

To address the changing payment needs and the requirement to balance the safety and security of card transactions with customer convenience, RBI released a circular on August 21, 2019 to permit processing of e-mandate on cards for recurring transactions (merchant payments) with AFA during e-mandate registration, modification and revocation, as also for the first transaction, and simple/ automatic subsequent successive transactions with the cap of transactions amounting to INR 2000 and subject to a few other conditions.

Vishwas Patel, Chairman PCI said that "We are thankful to RBI for giving clarity on recurring payments. However the cap of Rs. 2,000 is low for many subscription/ bill payments/ education fees etc. Further, electricity bills from commercial shops/ offices/ 3bhk plus residences in metro cities are in excess of Rs. 2000 per month and will not have the facility of automatic recurring payments due to this cap. Hopefully RBI will give it a re-look and increase the cap in the near future."

He added, "We would have appreciated if RBI had included UPI as a payment option in the above circular for recurring payments. UPI 2.0 is a non-starter because RBI has blocked its biggest feature recurring billing."

About Payments Council of India (PCI)

Payments Council of India (PCI) is a part of Internet and Mobile Association of India (IAMA) and represents more than 100 players in the payments and settlement systems. Its objective is to address and help resolve various industry level issues and barriers which require discussion and action. The important stakeholders are prepaid payment issuers, payments banks, merchant aggregators and acquirers, payments networks, BBPOUs, UPI facilitators and international remittances facilitators.

About IAMA

The Internet and Mobile Association of India [IAMA] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, but in the last 15 years has come to effectively address the challenges facing the digital and online industry including online publishing, mobile advertising, online advertising, ecommerce, mobile content and services, mobile & digital payments, and emerging sectors such as FinTech, EdTech and HealthTech, among others.

Fifteen years after its establishment, the association is still the only professional industry body representing the digital and mobile content industry in India. The association is registered under the Societies Act and is a recognised charity in Maharashtra. With a membership of over 300 Indian and MNC

companies, and with offices in Delhi, Mumbai, Bengaluru and Kolkata, the association is well placed to work towards charting a growth path for the digital industry in India.

For queries please contact:

NilotpaiChakravarti – AVP- IAMAI
nilotpai@iamai.in /+91-98106-72906

Vishwapriya Bhattacharya
Vishwapriya@iamai.in /+9184471-66068