

Requirements for obtaining authorisation to issue PPIs				
List of applicable regulations/ statues/ forms:				
1. PPI Master Directions dated 27/08/2021, updated 27/12/2024 - https://www.rbi.org.in/scripts/BS_ViewMasDirections.aspx?id=12156#MD				
2. Net-worth certificate under Annex-2 of PPI-MD - https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_2.pdf				
3. Form A as prescribed under Regulation 3(2) of the Payment and Settlement Systems Regulations, 2008 - https://financialservices.gov.in/beta/sites/default/files/2022-10/3.%20Payment%20and%20Settlement%20Systems%20Regulations%2C%202008.pdf				
4. Declaration and Undertaking by the Director under Annex-3 of PPI-MD - https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_3.pdf				
Para No. (PPI MD)	Sub Head	Particulars	Frequency	Remarks
4.2	Eligibility Requirements	A non-bank entity applying for authorisation to issue PPIs must be incorporated in India and registered under the Companies Act, 1956 / 2013.	One time	
4.4	Object clause of MoA	MoA should authorise the proposed activity	One time	
4.5	Net-worth Requirement	A minimum net-worth requirement of Rs. 5 crore as per the latest audited balance sheet must be maintained for obtaining authorisation. After three financial years from receiving authorisation, a minimum net-worth of Rs. 15 crore must be maintained.	Net-worth requirement must be maintained at all times	Annex-2 certificate must be submitted by the Chartered Accountant of the company to prove compliance with net-worth requirements at the time of application. Net-worth consists of paid up equity capital, CCPS, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets.

5.1	Authorisation from RBI	Authorisation is required from RBI for issuing PPIs. The application for authorisation is submitted using Form A as prescribed under Regulation 3(2) of the Payment and Settlement Systems Regulations, 2008.	One time	The form must be submitted along with application fee of Rs. 10,000/- .
5.2	Initial RBI screening	This includes a screening to ensure the prima facie eligibility of the applicant. The directors of the applicant also submit a declaration in the format enclosed in Annex-3 , and the RBI checks the "fit and proper" status of the applicant.	One time	Application of entities not meeting the eligibility criteria, or those that are incomplete / not in the prescribed form with all details, shall be returned without refund of the application fees.
5.3	Additional checks	RBI shall also apply checks on certain essential aspects like customer service and efficiency, technical and other related requirements, safety and security aspects, etc., before granting in-principle approval to the applicants.	One time	
5.4	System Audit Report (SAR)	System Audit Report - to be submitted to the RBI after receiving an "in-principle" approval within a period of six months.	One time, six months after receiving "in-principle" approval	An extension of six months can be given by making a request in writing to the DPSS, RBI. Also, the submission of the SAR must be accompanied by a certificate from a CA stating compliance with the net-worth requirements.
5.6	Certificate of Authorisation (CoA)	Granting of a Certificate of Authorisation (CoA) by the RBI pursuant to receipt of satisfactory SAR, net-worth certificate and due diligence.	One time	Entities granted the CoA must commence business within six months of receiving the CoA or else it will lapse. A one-time extension request can be made to the DPSS, RBI to extend the same for six months.
5.11	Cooling off period	A one year cooling off period comes into effect when an application is rejected or if the CoA is revoked, not renewed, or voluntarily surrendered.	As required, for a one year period	To inculcate discipline and encourage the submission of applications by serious players and for effective utilisation of regulatory resources.

Compliance after obtaining authorisation

List of applicable regulations/ statutes/ forms:

1. PPI Master Directions dated 27/08/2021, updated 27/12/2024 -
https://www.rbi.org.in/scripts/BS_ViewMasDirections.aspx?id=12156#MD
2. Net-worth certificate under Annex-2 of PPI-MD -
https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_2.pdf
3. Declaration and Undertaking by the Director under Annex-3 of PPI-MD -
https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_3.pdf
4. PPI Statistics under Annex-4 -
https://rbidocs.rbi.org.in/rdocs/content/docs/82MD27082021ANN_4.xlsx
5. Auditor Certificate on maintenance of balance in Escrow Account under Annex-5 -
https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_5.pdf
6. PPI Customer Grievance Report under Annex-6 -
https://rbidocs.rbi.org.in/rdocs/content/pdfs/82MD27082021ANN_6.pdf

Para No. (PPI MD)	Sub Head	Particulars	Frequency	Remarks
4.7	Net-worth Requirement	An authorised non-bank PPI issuer shall submit a net-worth certificate every year to evidence compliance with the applicable net-worth requirement as per the audited balance sheet of the financial year.	Annually, within 6 months of the end of that financial year	Annex-2 certificate must be submitted by the CA of the company to prove compliance with net-worth requirements annually.
5.9	Proposed major changes	Any proposed changes in product features or process, structure or operation of the payment system and other major changes must be communicated to the RBI.	Event based	
5.10	Takeover/Acquisition/Change in management	Any takeover or acquisition of control or change in management of a non-bank entity shall be	Event based	Form in Annex-3 will have to be submitted again by the new directors, if any.

		communicated to the RBI within 15 days with complete details.		RBI shall examine the "fit and proper" status of the management and, if required, may place suitable restrictions on such changes.
6.1	KYC / AML / CFT	All rules and reporting that follow from the KYC / AML / CFT guidelines of the RBI must be adhered to.	Continuous process	
6.2	PMLA	All provisions of the Prevention of Money Laundering Act, 2002 must be adhered to.	Continuous process	

6.3	Maintaining a log of transactions	<p>Last ten years' data on all PPI users must be maintained and be made available for scrutiny to the RBI as required.</p>	Continuous process	
		<p>The PPI issuer shall also file Suspicious Transaction Reports (STRs) to Financial Intelligence Unit-India (FIU-IND).</p>	Event Based	
7.2	Board policy for issuing PPIs	<p>The PPI issuer shall have a clear Board approve policy for issuance of various types/categories of PPIs and all activities related thereto.</p>	One time, and update as required	

7.3	Brand names	PPI issuers must ensure that the name of the company that is issuing and operating the PPIs is prominently displayed along with the PPI brand name.	Continuous process	PPI issuers must also ensure that the RBI is kept informed of all the brand names used by them for their products.
7.4	No interest payments	The Company as a PPI issuer cannot pay interest on PPI balances.	Continuous process	
7.5	Loading/reloading	PPIs shall be permitted to be loaded/reloaded by cash, debit to a bank account, credit and debit cards, PPIs (as permitted from time to time) and other payment instruments issued by regulated entities in India and shall be in INR only.	Continuous process	
7.6	Cash loading limits	Cash loading to PPIs shall be limited to Rs.50,000/- per month subject to overall limit of the PPI.	Continuous process	
7.7	Form of issuance	PPIs may be issued as cards, wallets, and in any such form / instrument which can be used to access the PPI and to use the amount therein.	Continuous process	PPIs can never be issued in the form of paper vouchers.
7.9	Loading/reloading PPIs from authorised outlets/agents	PPI issuers must have a board approved policy that lays down the framework for engaging agents.	One time, and update as required	
		Issuers must carry out proper due diligence of agents that they are engaging.	Continuous process	

		Issuers are responsible and are the principal for all acts of omission or commission of their agents.	Continuous process	
		PPI issuers must preserve the records and confidentiality of customer information in their possession as well as in that of their agents.	Continuous process	
		PPI issuers must monitor the activities of their agents and carry out performance reviews.	Continuously monitor and review at least once a year	
		Issuers must ensure that agents comply with laws, including KYC/AML/CFT regulations.	Continuous process	
7.10	Co-mingling of funds	PPI issuer shall ensure that there is no co-mingling of funds originating from any other activity that they may be undertaking	Continuous process	
7.11	Co-branding arrangements	The following will become applicable in case the Company intends to enter into co-branding arrangements:		
		Non-bank PPI issuer desirous of issuing co-branded PPIs shall seek one time approval from DPSS, CO, RBI, Mumbai.		
		The arrangement shall be as per the Board approved policy of the PPI	One time	

	<p>issuer. The policy shall address issues related to risks associated with co-branding, including reputation risk. The policy shall specify roles, responsibilities, and obligations of each co-branding partner.</p>		
	<p>The co-branding partner shall be a company incorporated in India under the Companies Act, 1956/2013. The co-branding partner can also be a Government entity. In case the co-branding partner is a bank it shall be licensed by RBI.</p>	One time	
	<p>The PPI issuer should carry out due diligence of the co-branding partner to protect themselves against the reputation risk.</p>	Regularly, as required	In case of a tie up with a financial entity, the issuer may seek the approval of the co-branding partner's regulator for entering this arrangement.
	<p>All KYC/AML/CFT guidelines must be adhered to in respect of all PPIs issued under the arrangement.</p>	Continuous process	
	<p>The name of PPI issuer shall be prominently visible on the PPI.</p>	Continuous process	

		In cases where the co-branding arrangement takes place between two non-bank PPI issuers, the agreement shall clearly indicate which partner is the PPI issuer.	As required	
		If the arrangement is between a bank and a non-bank, only the bank can be the PPI issuer.	As required	In case the Company enters into a co-branding arrangement with a bank, the Company's role shall be limited to marketing/distribution of the PPIs or providing access to the PPI holder to services.
7.12	Remittance compliances	All KYC requirements must be complied with if remittances are taking place.	Continuous process	The PPI issuer, including its agents, shall not create new PPIs every time for facilitating cash-based remittances to other PPIs/bank accounts. PPIs created for previous remittance by the same person shall be used.
8.1	Outward cross-border PPI transactions	The Company being a non-bank PPI issuer will not engage in cross-border outward transactions	Continuous process	Only banks having an AD-I license can issue PPIs used for cross-border outward transactions.
8.2	Inward credit cross-border PPI transactions	The Company being a non-bank PPI issuer will be required to be appointed as Indian agent of authorised overseas principals to issue full-KYC PPIs to beneficiaries of inward remittances		Roles and responsibilities of PPI issuer shall be distinct from roles and responsibilities as Indian Agents under MTSS

		under the Money Transfer Services Scheme (MTSS) of RBI		Such PPIs may not be issued as a separate category of PPI.
		Issued PPIs should be issued in adherence to extant norms under the MTSS Guidelines issued by Foreign Exchange Department, RBI.	Continuous process	
		Amounts only upto Rs.50,000/- from individual inward MTSS remittances shall be permitted to be loaded / reloaded in full-KYC PPIs issued to beneficiaries. Amount in excess of Rs.50,000/- shall be paid by credit to a bank account of the beneficiary.	Continuous process	Full details of the transactions shall be maintained on record for scrutiny.
9.1	Small PPIs	Small PPIs can only be issued after obtaining minimum details of the PPI holder.	As required	Minimum details shall necessarily include a mobile number verified with OTP and a self-declaration of name and unique identity/identification number of any 'mandatory document' or 'Officially Valid Document (OVD)' or any such document with any name listed for this purpose in the Master Direction on KYC
		Such PPIs shall be reloadable in nature. Loading / reloading shall be from a bank account / credit card / full-KYC PPI in cash of PPI without cash loading facility.	Continuous process	
		Amount loaded in such PPIs during any month shall not exceed Rs.10,000/- and the total amount	Continuous process	

		loaded during the financial year shall not exceed Rs.1,20,000/-.		
		Amount outstanding at any point of time in such PPIs shall not exceed Rs.10,000/- and Total amount debited from such PPIs during any month shall not exceed Rs.10,000/	Continuous process	
		Small PPIs shall be used only for purchase of goods and services. Cash withdrawal or funds transfer from such PPIs shall not be permitted.	Continuous process	
		Small PPIs with cash loading facility shall be converted into full-KYC PPIs within a period of 24 months from the date of issue of the PPI, failing which no further credit shall be allowed in such PPIs.	As required, within 24 months of issuing the PPI	The PPI holder shall be allowed to use the balance available in the PPI.
		Small PPIs with cash loading facility shall not be issued to the same user in future using the same mobile number and same minimum details	Continuous process	
		PPI issuer shall give an option to close the PPI at any time. The closure proceeds can be transferred to the payment source from where the PPI was loaded. Alternatively, the closure proceeds can be transferred to a bank account after complying with KYC requirements of PPI holder.	One time	

		Features of PPIs must be communicated to the PPI holder.	Once - at the time of issuance or before loading of funds	Communicated by SMS / E-Mail / any other means.
9.2	Full-KYC PPIs	The Company shall be permitted to issue Full-KYC PPIs after completing KYC of the PPI holder.	Continuous process	The Video-based Customer Identification Process (V-CIP) can be used to open full-KYC PPIs as well as to convert Small PPIs into full-KYC PPIs.
		Such PPIs shall be reloadable in nature.	Continuous process	
		The amount outstanding shall not exceed Rs.2,00,000/- at any point of time.	Continuous process	
		The funds can be transferred to the payment source from where the PPI was loaded or to the bank account of the PPI holder which should be duly verified by the PPI issuer.	Continuous process	PPI issuer shall set the limits considering the risk profile of the PPI holders, other operational risks, etc.
		PPI issuer 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 issuer as and when permitted), etc.	Continuous process	

		In case of such pre-registered beneficiaries, the funds transfer limit shall not exceed Rs.2,00,000/- per month per beneficiary.	Continuous process	PPI issuer shall set the limits within this ceiling considering the risk profile of the PPI holders, other operational risks, etc.
		Funds transfer limits for all other cases shall be restricted to Rs.10,000/- per month.	Continuous process	
		Funds transfer from Full-KYC PPIs shall also be permitted to other PPIs, debit cards and credit cards as per the limits given above.	Continuous process	
		PPI issuer shall also give an option to close the PPI and transfer the balance as per the applicable limits of this type of PPI.	One time	For this purpose, the issuer 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 issuer 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.;
		In case of bank issued PPIs, cash withdrawal shall be permitted.	Continuous process	Cash withdrawal at PoS devices shall be subjected to a limit of Rs.2,000/- per transaction within an overall monthly limit of Rs.10,000/- across all locations.
		Cash withdrawal are permitted upto a maximum limit of Rs.2,000/- per transaction within an overall monthly limit of Rs.10,000/- per PPI across all channels	Continuous process	

		Features of PPIs must be communicated to the PPI holder.	Once - at the time of issuance or before loading of funds	Communicated by SMS / E-Mail / any other means.
11.2	Interoperability	PPI issuer shall be guided by the technical specifications / standards / requirements for achieving interoperability through UPI and card networks as per the requirements of National Payments Corporation of India (NPCI) and the respective card networks.	Continuous process	NPCI and card networks shall facilitate participation by PPI issuer in UPI and card networks.
11.3		PPI issuer shall have a Board approved policy for achieving PPI interoperability.	One time, and update as required	
11.4	Interoperability requirements common to cards and wallets	Where PPIs are issued in the form of wallets, interoperability across PPIs shall be enabled through UPI.	Continuous process	
		Where PPIs are issued in the form of cards (physical or virtual), the cards shall be affiliated to the authorised card networks.	Continuous process	
		PPI-MTS shall remain exempted from interoperability, while Gift PPI issuer (both banks and non-banks) have the option to offer interoperability.	Continuous process	

		The interoperability shall be facilitated to all KYC-compliant PPIs and entire acceptance infrastructure.	Continuous process	It shall be mandatory for PPI issuer to give the holders of Full-KYC PPIs interoperability through authorised card networks (for PPIs in the form of cards) and UPI (for PPIs in the form of wallets).
		Interoperability shall be mandatory on the acceptance side as well. QR codes in all modes must be interoperable.	Continuous process	Once a non-bank PPI entity becomes interoperable (on both issuing and acquiring side simultaneously), the entire merchant base, including those acquired by the banks, shall be accessible through the card networks and UPI.
		PPI issuer shall adhere to all the requirements of card networks / UPI including membership type and criteria, merchant on-boarding, adherence to various standards, rules and regulations applicable to the specific payment system such as technical requirements, certifications and audit requirements, governance, etc.	Continuous process	
	Reconciliation, customer protection and grievance redressal	PPI issuer shall ensure adherence to all guidelines of card networks/UPI in terms of reconciliation of positions. PPI issuer shall adhere to all dispute resolution and customer grievance redressal mechanisms as prescribed by the card networks/NPCI.	As required	

11.5	Requirements for achieving interoperability through card networks	Non-bank PPI issuer is permitted to participate as member / associate member of authorised card networks.	Continuous process	
		For the purpose of settlement, a non-bank PPI issuer can participate directly or through a sponsor bank arrangement as the case may be.	Continuous process	Non-bank PPI issuer shall adhere to the requirements of respective card network's settlement system.
		Banks and non-banks shall ensure that all new, including reissuance and renewal of, PPIs issued in the form of cards are EMV Chip and PIN compliant. Gift PPIs may continue to be issued without these security measures.	Continuous process	
11.6	Requirements for achieving interoperability through UPI	PPI issuer shall facilitate all basic / standard features of interoperability of UPI.	Continuous process	
		PPI issuer shall act as Payment System Providers (PSP) in UPI. NPCI shall issue handle to the PPI issuer as per its policy / guidelines taking risk management aspects into consideration.	Continuous process	
		A PPI issuer shall enable holders of only its full-KYC PPIs to make UPI payments by linking its customer PPIs to its UPI handle.	Continuous process	UPI transactions from PPI on the issuer's application shall be authenticated using the customer's existing PPI credentials. Such a transaction will, thus, be pre-approved before it reaches the UPI system. A PPI issuer, in its capacity as a PSP, shall not

				on-board customers of any bank or any other PPI issuer.
		A PPI issuer may also facilitate discovery of its full-KYC PPIs on third-party UPI mobile applications, who, in turn shall enable such PPIs to be linked to their PSP handles. Such UPI transactions, from PPIs using third party UPI applications, shall be authenticated using the UPI credentials.	Continuous process	
		For the purposes of settlement, a non-bank PPI issuer shall participate through a sponsor bank.	Continuous process	Non-bank PPI issuer shall adhere to the requirements of sponsor bank arrangement in UPI and also meet all requirements of NPCI in this regard.
12.3	Maintenance of escrow account	A non-bank PPI issuer is required to maintain the outstanding balance in an escrow account with any scheduled commercial bank. An additional escrow account may be maintained with a different scheduled commercial bank at the discretion of the PPI issuer. Non-bank PPI issuer that is member of Centralised Payment Systems operated by RBI shall maintain a Current Account with RBI.	Continuous process	
12.3 (i)	Shifting escrow accounts	In case there is a need to shift the escrow account from one bank to another, the same shall be effected in a time-bound manner without unduly impacting the payment cycle to merchants.	Continuous process	Migration shall be completed in the minimum possible time with prior intimation to RBI.

12.3 (ii)	Escrow account balance requirements	The balance in the escrow account shall not, at the end of the day, be lower than the value of outstanding PPIs and payments due to merchants.	Continuous process	PPI issuer shall ensure immediate credit of funds to escrow on issue, load / reload of PPIs to the PPI holders, and under no circumstance such credit to escrow account shall be later than the close of the day on which the PPI has been issued, loaded / reloaded.
12.3 (iii)	Permitted transactions and inter-escrow transfers	<p>Permitted Credits -</p> <p>a. Payments received towards issue, load / reload of PPIs, including at agent locations;</p> <p>b. Refunds received for failed / disputed / returned / cancelled transactions; and</p> <p>c. Payments received from sponsor bank towards settlement obligations from participation in interoperable payment systems, as permitted by RBI from time to time;</p> <p>d. Transfers from Current Account maintained with RBI.</p>	Continuous process	In case where an additional escrow account is being maintained, credit and debit from one escrow account to the other shall also be permitted. However, inter-escrow transfers shall be avoided as far as possible and if resorted to, auditor's certification shall clearly mention such transactions.
		<p>Permitted Debits -</p> <p>e. Payments to various merchants / service providers towards reimbursement of claims received from them;</p> <p>f. Payment to sponsor bank for processing funds transfer instructions received from PPI holders as permitted by RBI from time to time;</p>	Continuous process	

		<p>g. Payments made to sponsor bank towards settlement obligations from participation in interoperable payment systems, as permitted by RBI from time to time;</p> <p>h. Transfers to Current Account maintained with RBI.</p> <p>i. Payment towards applicable Government taxes (received along with PPI sale / reload amount from the buyers);</p> <p>j. Refunds towards cancellation of transactions in a PPI in case of PPIs loaded / reloaded erroneously or through fraudulent means (on establishment of erroneous transfer / fraud). The funds shall be credited back to the same source from where these were received. These funds are not to be forfeited till the disposal of the case;</p> <p>k. Any other payment due to the PPI issuer in the normal course of operating PPI business (for instance, service charges, forfeited amount, commissions, etc.); and</p> <p>l. Any other debit as directed by the regulator / courts / law enforcement agencies.</p>		
12 Note (1)	Payment of bank charges	The payment towards service charges, commission and forfeited amount in relation to the escrow account shall be at pre-determined rates / frequency.	As required	Such transfers shall only be effected to a designated bank account of the PPI issuer as indicated in the agreement with the bank where escrow account is maintained.

12 Note (2) (v)	Co-mingling of funds	Settlement of funds with merchants shall not be co-mingled with other business, if any, handled by the PPI issuer.	Continuous process	
12 Note (2) (vii)	List of merchants of PPI issuer	PPI issuer shall be required to submit the list of merchants acquired by them to the bank and update the same from time to time.	As required	
12 Note (2) (iv)	Usage of escrow balance	There shall be an exclusive clause in the agreement signed between the PPI issuer and bank maintaining escrow account towards usage of balance in escrow account only for the purposes mentioned above.	One time	
12 Note (2) (viii)	Undertaking for onward payment to merchants	PPI issuer shall obtain an undertaking from the digital market place and / or payment aggregator / gateway that the payments made by the issuer are used for onward payments to the respective merchants. Such an undertaking shall be submitted by the PPI issuer to the bank maintaining the escrow account.	One time per aggregator/ gateway or digital market place	The payment mechanism is often facilitated using the services of payment aggregators / payment gateways. To ensure that money reaches the merchants, an undertaking must be collected from the mentioned parties which states that the money received will be used to pay the respective merchants.
12.3(vi) and 12.4	Interest payment by bank on core portion of escrow balance	Interest cannot be collected on the balance maintained in the escrow account except in the case where the non-bank PPI issuer enters into an agreement with the bank maintaining the escrow account, to transfer "core portion" of the amount to a separate account on which interest is payable	As required	The conditions for the transfer are - a. The bank shall satisfy itself that the amount deposited represents the "core portion" after due verification of necessary documents.

				<p>b. The amounts held in the interest bearing account shall be available to the bank to meet payment requirements of the entity, in case of any shortfall in the escrow account.</p> <p>c. This facility is permissible to entities who have been in business for at least one year and whose accounts have been duly audited for the full accounting year.</p> <p>d. No loan is permissible against such deposits. Banks shall not issue any deposit receipts or mark any lien on the amount held in such form of deposits.</p> <p>e. Core portion shall be calculated separately for each of the escrow accounts and will remain linked to the respective escrow account. Escrow balance and core portion maintained shall be clearly disclosed in the auditors' certificates submitted to RBI on quarterly and annual basis.</p> <p>Calculation of Core Portion:</p> <p>Step 1: Compute lowest daily outstanding balance (LB) on a fortnightly (FN) basis, for one year (26 fortnights) from the preceding month.</p>
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				<p>Step 2: Calculate the average of the lowest fortnightly outstanding balances [(LB1 of FN1+ LB2 of FN2++ LB26 of FN26) divided by26].</p> <p>Step 3: The average balance so computed represents the "Core Portion" eligible to earn interest.</p>
12 Note (2) (ix)	Adequate escrow balance	Submission of certificate found in Annex-5 signed by the auditor that certifies the entity has maintained an adequate account balance in the escrow account to cover the outstanding amount of PPIs issued and payments due to merchants.	Quarterly and Annually	In case an additional escrow account is being maintained, balances in both accounts are considered. The same auditor shall be employed to audit both escrow accounts. The certificate shall be submitted within a fortnight from the end of quarter to which it pertains. Entities shall also submit an annual certificate, signed by the auditor, coinciding with accounting year of the entity to RBI.
12 Note (2) (x)	Daily value of PPIs and payments to merchants	Records indicating the daily value of instruments outstanding and payments due to merchants in escrow accounts that are due on demand should be made available for scrutiny to the RBI.	Daily	
13.1	Minimum validity	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.	Continuous process	<p>PPIs can be issued with a longer validity as well.</p> <p>In case of PPIs issued in the form of card (with validity period mentioned on the card), the customer shall have the option to seek replacement of the card.</p>

13.2	Expiry intimation	The PPI issuer shall inform the PPI holder of the upcoming expiry of the PPI through SMS/E-Mail/Any other means.	At reasonable intervals, 45 days prior to expiry.	
13.3	Transfer of balance of expired PPI	Non-bank PPI issuer cannot transfer the outstanding balance to its Profit & Loss account for at least three years from the expiry date of PPI.	One time, after three years from the expiry	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.
13.5	Expiry date of PPI	The expiry date of the PPI must be clearly mentioned to the PPI holder at the time of issuance. It should be mentioned in the T&C of the sale of the PPI.	Once - at the time of issuance	It shall also be clearly outlined on the website / mobile application of the PPI issuer.
13.6	Inactivity of PPI	PPIs with no financial transactions for a consecutive period of one year shall be made inactive by the PPI issuer after sending a notice to the PPI holders.	Once - at time of deactivation	These can be reactivated only after validation and applicable due diligence. These PPIs shall be reported to RBI separately.
13.7	Winding up of PPI	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.	Once - at winding-up	
14.3 (c)	Details of refunds/ returns	All the details of refunds/ returns should be maintained by the PPI and be kept ready if they are called for. PPI issuers should have systems in place that let them monitor frequent refunds that take place in specific PPIs.	Continuous process where data is provided as called for.	

14.3 (a)	Refund application	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.	Continuous process	This will be done even if such application of funds results in exceeding the limits prescribed for that type / category of PPI.
14.3 (b)	Refund on non-PPI transactions	Refunds in case of failed / returned / rejected / cancelled transactions using any other payment instrument shall not be credited to PPI.	Continuous process	If refund is occurring due to a transaction that occurred through a medium other than PPI, the amount cannot be refunded to the PPI.
15.2	Information Security policy	A board approved policy must be put in place by the PPI issuer to ensure the safety and security of payment systems operated by it. All security measures that are implemented must be reviewed frequently,	On an ongoing basis, but at least once a year and as required.	PPI issuer shall also establish a mechanism for monitoring, handling and follow-up of cyber security incidents and cyber security breaches. The same shall be reported immediately to DPSS, CO, RBI, Mumbai. It shall also be reported to CERT-IN. As required after a security incident or breach and before/after a major change to infrastructure or procedures.
15.3 (l)	Transaction alerts	A mechanism to send transaction details as well as account balance information should be put in place by the PPI issuer.	As required when a transaction takes place.	This will also include a mechanism for a velocity check on the number of transactions in a PPI per day/per beneficiary
15.3 (b)	Security	PPI issuer must have mechanisms to restrict multiple invalid login attempts or other malicious attempts to access the PPI.	Continuous process	

15.3 (c)	Two Factor Authentication (2FA)	The PPI issuer shall have a system where all wallet transactions involving debit to the wallet shall be permitted only by validation through 2FA.	Continuous process	This is not mandatory for PPIs issued under PPI-MTS and gift PPIs.
15.3 (h)	Transaction Limits	PPI issuers should allow customers options for capping the number of transactions and value per transaction for different transaction types.	Continuous process	
15.3 (i)	Beneficiary alerts	PPI issuers shall have a system of alert when a beneficiary is added. Issuer shall put in place a limit on the number of beneficiaries that may be added in a day per PPI.	Continuous process	
15.3 (k)	Fraudulent transactions	Post opening the PPI or loading/reloading funds, a cooling period for fund transfer and cash withdrawal should be enforced to prevent fraudulent transactions. There should also be a mechanism to prevent, detect and restrict occurrence of fraudulent transactions including loading / reloading funds into the PPI.	Continuous process	This should include suitable internal and external escalation mechanisms in case of suspicious operations, besides alerting the customer in case of such transactions.
15.5	Centralised Database/MIS to prevent circumvention of limits	PPI issuer shall put in place a Centralised Database/MIS to prevent multiple purchase of PPIs at different locations, leading to circumvention of limits, if any, prescribed for their issuance.	Continuous process	

15.6	Authorised/ Designated Agents	Where direct interface is provided to its authorised / designated agents, PPI issuer shall ensure that compliance to regulatory requirements is strictly adhered to by these systems also.	Continuous process	
16.1	Disclosure to customers	PPI issuer shall disclose all important terms and conditions in clear and simple language (preferably in English, Hindi and the local language) to the holders while issuing the instruments.	Continuous process	These disclosures shall include all charges and fees associated with the use of the instrument and the expiry period and the terms and conditions pertaining to expiration of the instrument.
16.2	Customer Grievance Framework	The PPI issuer should have a formal and publicly disclosed customer grievance framework which should include a designated nodal officer who handles complaints. The issuer should also specify an escalation matrix and turn-around times for resolution. If made available on the website, it should be accessible and clearly visible.	Continuous process	<p>All information of the customer protection and grievance redressal policy should be displayed in simple language (English, Hindi, and a local language).</p> <p>The PPI issuer should clearly indicate the customer care contact details, including details of nodal officials for grievance redressal, on website, mobile wallet apps, and cards.</p> <p>The same rules apply to PPI issuer agents.</p> <p>The issuer should have dedicated mobile numbers for complaints lodged against PPIs, along with a status tracking mechanism for complaints.</p> <p>All action to resolve complaints must take place expediently, within 48 hours preferably, and the complaint must be resolved in 30 days.</p>

				The issuer shall display the detailed list of its authorised/designated agents on the website/mobile app.
16.3	Awareness and Education of customers	Customers must be educated by PPI issuers about the secure use of PPIs, which includes the need to keep passwords protected, the procedure to follow after a card is lost, and other steps in case fraud or abuse is detected.	Regularly, as required	
16.4	Account statements of customers	The issuer must provide the customer the option to generate account statements for at least the past six months. The statement should provide the date and amount of the transaction, the net balance, and a description of the transaction. The PPI issuer should also provide transaction history for at least 10 transactions.	As requested	
16.6	Reporting complaints and action taken	Non-bank PPI issuers should submit a report regarding the receipt of complaints and action taken thereof to the respective Regional Office of DPSS, RBI.	Quarterly, by the 10th of the following month	Report should be submitted using the form in Annex-6 .
16.7	Transparency in pricing and charges	The PPI issuer must ensure that charges and fees are transparent and disclosed to the customers.	Continuous process	There must be uniformity of charges at the agent level. The charges for different transactions must be clearly disclosed. Agents must be prohibited from charging fees to customers for services rendered to them on behalf of the PPI.

				<p>All retail outlets/sub-agents must have signage identifying them as service providers for the PPI issuer and the fees for the services available at the outlet.</p> <p>All amounts collected from customers must be acknowledged with a receipt (printed/electronic).</p>
17.4 (a)	Reporting of unauthorised payment transactions by customers	Non-bank PPI issuers should ensure that customers have registered for SMS and E-Mail alerts for electronic transactions, and the issuer should mandatorily send the details of transaction to the customers. Such alerts sent should have a contact number to report unauthorised transactions.	Continuous process	
17.4 (c)	Reporting period for unauthorised transactions	<p>Customers must be informed that they have to communicate any instance of an unauthorised transaction to the PPI issuer immediately, and any delay will lead to a larger loss to them.</p> <p>A link to lodge complaints, with specific options to report unauthorised transactions, should be provided on the app/website of the non-bank PPI issuer</p>	Regularly, as required	Non-bank PPI issuers should provide customers with 24x7 access via website/SMS /E-Mail /a dedicated toll-free helpline for reporting unauthorised transactions that have taken place or loss or theft of the PPI.
17.4 (f)	Reporting system response	The system used by the PPI issuer should send an immediate response to the complaint, and it should include a complaint number. The system should record all timestamps of the communication, as well as responses of the customer.	As required	

		After receiving a complaint, the issuer must take all necessary action to prevent further unauthorised transactions.		
17.7	Reversal of unauthorised transactions	The non-bank PPI issuer must credit the amount involved in any unauthorised transaction to the customers account within 10 days from receiving a notification from the customer.	As required, within 10 days of receiving a complaint	This reversal/credit will occur even if it breaches the value limit applicable to the category of the PPI
17.8	Resolution period	The complaint should be resolved within the time frame specified in the Board approved policy, subject to a maximum of 90 days.	As required, within 90 days of receiving a complaint	In case the complaint isn't resolved in 90 days, the entire amount as prescribed must be credited to the customer regardless of negligence on part of the customer or PPI issuer.
17.9	Customer Relations Policy and rights of customers	Non-bank PPI issuer shall formulate/revise its customer relations policy, with approval of its Board, to cover aspects of customer protection, including creating customer awareness on the risks and responsibilities involved in electronic payment transactions and customer liability in such cases of unauthorised transactions.	One time, and update as required	The policy must be transparent, non-discriminatory and should mention the mechanism of compensating customers for unauthorised transactions and also prescribe the timelines for effecting such compensation. A non-bank PPI issuer shall provide the details of its Board approved policy to all customers at the time of issuing the PPI. The issuer shall display its Board approved policy in the public domain/website /app for wider dissemination.
17.10	Burden of proving liability	The burden of proving customer liability in case of unauthorised electronic payment transactions shall lie on the non-bank PPI issuer.	As required	

17.11	Reporting cases of customer liability	A non-bank PPI issuer must have a suitable mechanism and structure for reporting customer liability cases to the Board or one of its Committees.	One time, and update as required	The reporting shall include number of cases, aggregate value involved, and distribution across various categories of cases. The Board or one of its Committees must periodically review the unauthorised transactions reported by customers and the action taken thereon, and the functioning of the grievance redressal mechanism. Measures to improve these systems must also be implemented.
18.2	System Audit Report (SAR)	Authorised non-bank PPI issuers should submit an SAR which includes a cyber security audit conducted by CERT-IN empaneled auditor every year.	Annually, within 2 months after the financial year ends	
18.3 (a)		Application Life Cycle Security - The source code audits shall be conducted by professionally competent personnel or have assurance from application providers/OEMs that the application is free from embedded malicious / fraudulent code.	As required	
18.3 (b)	Information Systems framework	Security Operations Centre (SOC) - Integration of system level (server), application level logs of mobile applications (PPIs) with SOC for centralised and co-ordinated monitoring and management of security related incidents.	Continuous process	

18.3 (c)		<p>Anti-Phishing -</p> <p>PPI issuer must subscribe to anti-phishing/anti-rogue app services from external service providers for identifying and taking down phishing websites/rogue applications in the wake of increase of rogue mobile apps/phishing attacks.</p>	Continuous process	
18.3 (d)		<p>Risk-based Transaction Monitoring or surveillance process shall be implemented by the PPI issuers as part of fraud risk management system.</p>	Continuous process	
18.3 (f)		<p>Disaster Recovery (DR) -</p> <p>Consider having DR facility to achieve the Recovery Time Objective (RTO) / Recovery Point Objective (RPO) for the PPI system to recover rapidly from cyber-attacks / other incidents and safely resume critical operations aligned with RTO while ensuring security of processes and data is protected.</p>		
18.3 (e) (i)		<p>The PPI issuer must enter into an agreement with its service providers that provides for right of audit/inspection by the regulators of the country.</p>	One time, and update as required	
18.3 (e) (ii)	Vendor Risk Management	<p>RBI shall have access to all information resources that are consumed by the providers.</p>	As required	

18.3 (e) (iii)		PPI issuers must follow the relevant legal and regulatory requirements relating to geographical location of infrastructure and movement of data out of border.	Continuous process	
18.3 (e) (iv)		PPI issuers should review the security processes and controls being followed by service providers regularly.	Regularly, as required	
18.3 (e) (v)		Service agreements of PPI issuer with provider shall include a security clause on disclosing the security breaches specific to issuer's ICT infrastructure or process.	One time, and update as required	
19	Reporting requirements	Apart from those already mentioned in the checklist, PPI Statistics have to be submitted as per the form in Annex-4 .	Monthly, by the 7th of the following month	
Circulars issued to PPIs	Loading of PPIs through credit lines	RBI communication dated June 20, 2022, stated that PPI issuer shall ensure that credit line is not utilised to load/reload PPIs.	Continuous process	Concerns were raised on loading of PPIs through the use of credit lines. A circular was issued by RBI to PPI issuers prohibiting loading of PPIs through the use of credit lines.