

RBI announces measures for enhancing security of Card Transactions

RBI has decided to improve user convenience and increase the security of card transactions as over the years, the volume and value of transactions made through cards have increased manifold. Therefore following announcements have been made by RBI:

1. At the time of issue / re-issue, all cards (physical and virtual) shall be enabled for use only at contact based points of usage [viz. ATMs and Point of Sale (PoS) devices] within India. Issuers shall provide cardholders a facility for enabling card not present (domestic and international) transactions, card present (international) transactions and contactless transactions, as per the process outlined below in para I of 3rd point.
2. For existing cards, issuers may take a decision, based on their risk perception, whether to disable the card not present (domestic and international) transactions, card present (international) transactions and contactless transaction rights. Existing cards which have never been used for online (card not present) / international / contactless transactions shall be mandatorily disabled for this purpose.
3. Additionally, the issuers shall provide to all cardholders:
 - I. facility to switch on / off and set / modify transaction limits (within the overall card limit, if any, set by the issuer) for all types of transactions – domestic and international, at PoS / ATMs / online transactions / contactless transactions, etc.
 - II. the above facility on a 24x7 basis through multiple channels - mobile application / internet

banking / ATMs / Interactive Voice Response (IVR); this may also be offered at branches / offices.

- III. alerts / information / status, etc., through SMS / e-mail, as and when there is any change in status of the card.

The provisions of this circular are not mandatory for prepaid gift cards and those used at mass transit systems. Issuers and card networks may give wide publicity to the provisions of this circular. These directions are issued under Section 10(2) of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and shall come into effect from March 16, 2020.

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Warm Regards,

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