



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Access for Non-banks to Centralised Payment Systems**

This is in reference to Paragraph 9 of the Statement on Developmental and Regulatory Policies dated April 07, 2021 (link in the enclosed document) wherein it was announced that the Reserve Bank shall encourage participation of non-banks in Reserve Bank of India-operated Centralised Payment Systems (CPS) viz. Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT) systems, in a phased manner. A reference is also invited to the Master Directions on Access Criteria for Payment Systems dated January 17, 2017 wherein Reserve Bank had prescribed criteria for access to CPS.

Direct access for non-banks to CPS lowers the overall risk in the payments ecosystem. It also brings advantages to non-banks like reduction in cost of payments, minimising dependence on banks, reducing the time taken for completing payments, eliminating the uncertainty in finality of the payments as the settlement is carried out in central bank money, etc. The risk of failure or delay in execution of fund transfers can also be avoided when the transactions are directly initiated and processed by the non-bank entities.

On a review of extant arrangements and after detailed discussions with Payment System Providers (PSPs), RBI has advised that, in the first phase, authorised non-bank PSPs, viz. PPI Issuers, Card Networks and White Label ATM Operators shall be eligible to participate in CPS as direct members as per the approach presented in the Annexure (enclosed).

The Master Directions on Access Criteria for Payment Systems dated January 17, 2017 are also being modified accordingly. For operational and user convenience, Reserve Bank has placed a set of FAQs on the subject on its website.

These instructions are issued under Section 10 (2) read with Section 18 of Payment and Settlement Systems Act, 2007 (Act 51 of 2007) and come into effect from the date of this circular.

**Please find enclosed the detailed document on the same for your kind reference.**

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Warm Regards,

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