



PHD Research Bureau
PHD Chamber of Commerce and Industry



RBI releases Framework for Facilitating Small Value Digital Payments in Offline Mode

The Reserve Bank has placed on its website the 'Framework for facilitating small value digital payments in offline mode' (enclosed). The framework incorporates the feedback received from the pilot experiments on offline transactions conducted in different parts of the country during the period from September 2020 to June 2021.

An offline digital payment means a transaction which does not require internet or telecom connectivity. Under this new framework, such payments can be carried out face-to-face (proximity mode) using any channel or instrument like cards, wallets, mobile devices, etc. Such transactions would not require an Additional Factor of Authentication (AFA). Since the transactions are offline, alerts (by way of SMS and / or e-mail) will be received by the customer after a time lag. Transactions are subject to a limit of ₹200 per transaction and an overall limit of ₹2000 for all transactions until balance in the account is replenished. Balance replenishment can only occur in an on-line mode.

Offline mode of payment can be enabled only after obtaining specific consent of the customer. Customers shall enjoy protection under the provisions of circulars limiting customer liability issued by Reserve Bank (as amended from time to time). Customers also have recourse to the Reserve Bank – Integrated Ombudsman Scheme for grievance redress.

Offline transactions are expected to give a push to digital transactions in areas with poor or weak internet or telecom connectivity, particularly in semi-urban and rural areas. The new framework is applicable with immediate effect.

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Warm Regards,

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