

# Pan-India New Umbrella Entity for retail payment systems

March 4, 2020

**Source: PRS India & News on AIR**

The Reserve Bank of India (RBI) has released the draft framework for authorization of a pan-India New Umbrella Entity for retail payment systems

## **What this body will do?**

This body will be authorized to operate payment systems, under the Payments and Settlements Act, 2007.

## **Responsibilities of pan-India New Umbrella Entity for retail payment systems**

The body will be responsible for:

- setting up, managing and operating new payment systems in the retail space
- identifying and managing risks such as settlement, credit, liquidity and operational risks,
- monitoring domestic and international developments related to retail payment systems, and
- enhancing awareness about payment systems.

## **Paid-up capital**

The body will be set up with a minimum paid-up capital of Rs 500 crore. Any entity holding more than 25% of the paid-up capital will be considered as a promoter. No single promoter shall have more than 40% investment in the paid-up capital.