

Pan-India New Umbrella Entity for retail payment systems

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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.