



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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DPSS.CO.No.2501/02.14.06/ 2010-11

May 4, 2011

All System Providers, System Participants
And Prospective prepaid Instrument Issuer

Madam/ Dear Sir

Policy Guidelines for issuance and operation of Prepaid Instruments in India.

A reference is invited to [Para 124 of the Monetary Policy statement \(2011-2012\)](#) on the issue of mobile based semi-closed prepaid payment instruments. Attention is also invited to our [circular RBI/2009-10/123- DPSS.PD.No.344/02.14.06/2009-2010 dated August 14, 2009](#) wherein an amendment to Paragraph 3.2 of the policy guidelines on the issue of prepaid instruments in India ([RBI/2008-09/ 458, DPSS.CO.PD.No.1873 /02.14.06/ 2008-09 dated April 27, 2009](#)), was carried out.

2. As per the amendment it was decided to permit **Other Persons** to issue mobile phone based semi-closed system pre-paid payment instruments (semi-closed m-wallets) complying with the above guidelines with the following conditions:

- i. The maximum value of such instruments shall not exceed ₹ 5000/-.
- ii. The purchase/reloading of these instruments against the value of airtime/talktime shall not be permitted.
- iii. This facility shall be enabled only to facilitate purchase of goods and services. Person-to-person transfer of value shall not be permitted

3. The position has been reviewed keeping in view the need to facilitate larger acceptance of mobile phone based prepaid payment instruments (M-wallets) as a mode of payment. Accordingly, it has now been decided to bring semi closed m-wallets on par with the other semi-closed prepaid instruments subject to the following conditions.

- a. The maximum value of such prepaid semi-closed m-wallet shall not exceed ₹ 50,000 as indicated in Para 6.3 of the above guidelines.
- b. The monetary ceilings on prepaid instruments issued based on customer due diligence as laid down in Para 6.4 of the extant guidelines would be applicable to such m-wallets.
- c. The conditions specified at Para 2(ii) & (iii) above will continue to be applicable to such semi-closed m-wallets.
- d. All other conditions specified in the “Policy guidelines for issuance and operation of prepaid instruments in India” would mutatis mutandis apply to such m-wallets.

5. The directive is issued under section 18 of Payment and Settlement Systems Act 2007, (Act 51 of 2007).

Yours faithfully

G. Padmanabhan
Chief General Manager