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संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

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## **RBI Committee suggests GIRO based Indian Bill Payment System**

The Reserve Bank of India (RBI) has today released the report of the committee set up to study the feasibility of implementation of GIRO based payment systems in India (Chairman, Shri G. Padmanabhan). The committee has highlighted the need for developing an electronic bill payment system based on a GIRO model for payment of dues of essential services, insurance premia, utility payments, taxes, university fees, examination fees, school fees, etc. This model will enable the setting up of a centralised infrastructure bringing all the billers and banks to the bill platform through the aggregators. It will also allow interoperability in the bill payment process and enable the consumers to make payments at any of the collection points which is the essence of GIRO system.

The committee has made major recommendations pertaining to a) setting up of the Indian Bill Payment System (IBPS) which would be the centralised infrastructure connecting the billers through the aggregators and the customers through the customer service points, for management of all bill payments; b) Extending the IBPS value chain of banks/non-banks/billers/aggregators, etc.; c) Bill data codification and presentment; d) process of settlement; e) Roles and responsibilities of stakeholders; and f) Customer support and redressal mechanism.

GIRO payment is a credit push transaction initiated by the payer and may involve the presence of three banks (collecting bank, payer bank and the payee bank). Bill paying public/customers can access any payment channel through banks/non-bank entity under the proposed GIRO system.

### **Background**

It may be mentioned that the Reserve Bank of India, has been constantly endeavouring to ensure that the payment and settlement systems in the country are safe, secure, efficient, inter operable, inclusive and well regulated. It has also taken measures to widen the reach of payment services in the country through both, banking and non-banking channels. Exploring the feasibility of implementation of GIRO based payment system in India, is part of the ongoing efforts of the Reserve Bank in improving payment and settlement systems in India as laid out in its Payment Systems vision (2012-15). At the Second Quarter Review of Monetary Policy 2012-13, the Governor had announced the setting up of a committee to finalise the modalities of implementing the GIRO payment system –both electronic and cheque based in India. Accordingly a committee under the chairmanship of Shri G. Padmanabhan, Executive Director, RBI was set up.

The Committee had representations from select banks, card payment networks, industry associations, viz. Internet and Mobile Association of India (IAMAI), Federation of Indian Chambers of Commerce and Industry (FICCI) and Indian Banks' Association (IBA). The Committee also solicited views/comments of the stakeholders from outside the committee members.

The Reserve Bank of India, Department of Payment and Settlement Systems, Central Office, Mumbai has invited comments from the public on the recommendations of the Committee before looking into their implementation. The comments may be [emailed](#) latest by June 15, 2013.

Full report of the committee can be viewed at <http://www.rbi.org.in/scripts/PublicationReportDetails.aspx?UrlPage=&ID=701>

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**R. R. Sinha**  
Deputy General Manager