

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email: helpdoc@rbi.org.in

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

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November 04, 2019

**Reserve Bank announces the opening of first cohort
under the Regulatory Sandbox**

The Reserve Bank announces the opening of first cohort under the Regulatory Sandbox.

The Reserve Bank announces the opening of first cohort under the Regulatory Sandbox (RS) with 'Retail Payments', as its theme. The adoption of 'Retail Payments' as the theme is expected to spur innovation in digital payments space and help in offering payment services to the unserved and underserved segment of the population. Migration to digital modes of making a payment can obviate some of the costs associated with a cash economy and can give customers a friction-free experience. The innovative products/services which, among others, shall be considered for inclusion under RS are as follows:

- Mobile payments including feature phone based payment services - General innovation in mobile payment services has focussed on or supported app-based access, limited to smartphones and such devices. There is a need to innovate payment services for feature phones to provide the necessary thrust towards enhanced adoption of digital payments by various strata of society.
- Offline payment solutions - Consumer behaviour has been driving growth of digital payment systems as more and more consumers are embracing mobile technology. Though mobile internet speed has risen, connectivity issues remain unresolved in large areas. Therefore, providing an option of off-line payments through mobile devices for furthering the adoption of digital payments is required.
- Contactless payments - Contactless payments, while decreasing the time taken for payment checkout, also ease payments for small ticket payment transactions. Tokenisation technologies often form the basis of facilitating seamless e-commerce experiences fuelled by mobile and other connected devices. The rapid growth in devices provides a significant opportunity for payments through any form factor and anywhere.

2. The format of Application for the RS is [attached](#). The entities meeting the eligibility criteria as laid out in the framework may apply, along with information listed in [Annex I](#) (Fit and Proper criteria for Director(s)/Promoter(s) of sandbox entities) and [Annex II](#) (Declaration and Undertaking by Promoter/Director), for the first cohort under the RS. It may be noted that the live testing of new products or services in a controlled environment may require a bank/NBFC/any other partner for the testing to commence. In such cases, a suitable partner may be secured in advance to be eligible for admission to the RS.

3. The window for submission of application for the first cohort shall be open from November 15 to December 15, 2019. A scanned copy of the application, together with enclosures (maximum size 10 MB), may be forwarded through [email](#) and the hard copy, duly authenticated, may be sent to:

The Chief General Manager-in- Charge
Department of Regulation (FinTech Unit)
Central Office, 12th floor
Reserve Bank of India
Shahid Bhagat Singh Marg
Fort, Mumbai – 400 001

Background: The final ‘Enabling Framework for Regulatory Sandbox’ was placed on RBI website on [August 13, 2019](#), after a wide ranging consultative process with stakeholders. As stated therein, the objective of the Regulatory Sandbox (RS) is to foster responsible innovation in financial services, promote efficiency and bring benefit to consumers.

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(Yogesh Dayal)
Chief General Manager