

April 27, 2009

To

All System Providers, System Participants  
and any other prospective prepaid payment instrument issuer

Dear Sir,

**Sub: Policy Guidelines for issuance and operation of  
Prepaid Payment Instruments in India**

Pre-paid payment instruments issued by banks and non-bank entities have been gaining popularity as a means of payment in India. In order to ensure an orderly development and operations of this product, Reserve Bank had placed the '[Approach Paper](#)' on **issuance and operation of** 'prepaid payment instruments in India' on the RBI website for public comments on November 07, 2008. Based on the comments received from banks, existing issuers of pre-paid payment instruments, general public and a series of meetings with various stake holders, the [draft guidelines](#) were prepared by Reserve Bank and was also placed on the website for public comments. After taking into account further comments/suggestions received, Reserve Bank has finalised the 'guidelines for prepaid payment instruments in India'.

2. As stated in [paragraph 151 of 'Annual Policy Statement for 2009 - 2010'](#) Reserve Bank of India, hereby notify, the 'Guidelines for Prepaid Payment Instruments in India' for the information of general public. All persons currently operating or proposing to operate such payment systems shall comply with the guidelines.

3. A copy of the Directions issued by us under Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007) in this regard is enclosed.

Yours faithfully

(G.Padmanabhan)  
Chief General Manager

Encl: as above