

RBI CREATES RS. 500 CR. FUND TO BOOST PAYMENT INFRA

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The RBI has created a Payments Infrastructure Development Fund (PIDF) to encourage acquirers to deploy Points of Sale (PoS) infrastructure — both physical and digital modes — in tier-3 to tier-6 centres and north eastern states.

RBI will make an initial contribution of Rs. 250 crore to the PIDF, covering half of the fund, while the remaining contribution will be from card-issuing banks and card networks operating in the country.

“Over the years, the payments ecosystem in the country has evolved with a wide range of options such as bank accounts, mobile phones, cards, etc. To provide further fillip to digitisation of payment systems, it is necessary to give impetus to acceptance infrastructure across the country, more so in under-served areas,” the RBI said. The PIDF will be governed through an Advisory Council and managed and administered by RBI.

The PIDF will also receive recurring contributions to cover operational expenses from card-issuing banks and card networks. RBI will also contribute to yearly shortfalls, if necessary. “Given the high cost of merchant acquisition and merchant terminalisation, most of the POS terminals in the country are concentrated in tier 1 and 2 cities and towns and other regions have been left out,” Deepak Chandnani, MD, Worldline South Asia and Middle East.

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