

CHAPTER 3 - DOMESTIC PREPAID INSTRUMENT POLICY

1. OBJECTIVE/ INTRODUCTION:

- 1.1. This Prepaid Instrument Policy Document aims to set policy guidelines for Domestic Prepaid Instrument Business for the year 2024-25.
- 1.2. The Canara Bank Prepaid Instruments may be issued in association with Visa/ Master Card / NPCI, etc.
- 1.3. The Bank may issue Prepaid instrument with different flavors / variants to suit to the different segments of the customers or based on industry trend / practices by peer banks and instructions by Reserve Bank of India / Government of India etc.
- 1.4. The bank may issue prepaid instruments under any or combination of category of Small PPIs, Full-KYC PPIs and Specific Categories of PPI as defined by Reserve Bank of India, in their relative Master Circular (RBI/DPSS/2021-22/82 CO.DPSS.POLC.No.S-479/02.14.006/2021-22 dated August 27,2021 updated February 10,2023).

I. Prepaid Card Features:

- 1.5. Cards will be issued as three variants:
 - i. Canara Prepaid Card - Reloadable "Canara Prepaid Classic Card"
 - ii. Canara Prepaid Card - Reloadable "Canara Prepaid Plus Card"
 - iii. Canara Prepaid Card - Non Reloadable "Canara Gift Card"
- 1.6. The card may be issued as personalised / Non-personalised EMV Chip based Card with PIN.
- 1.7. The Card will be issued to our Customers only. In case of Corporates / Government Departments / Institutions / Organizations who would be issuing the same to their employees/ beneficiaries, have to furnish the list with details & copy of KYC document.
- 1.8. The purchaser account should be fully compliant with KYC/AML/CFT as per extant guidelines for issue of the Prepaid Card.
- 1.9. Validity: Prepaid Classic & Prepaid Plus- Maximum: 5 years & Gift Card Maximum: 1 years. Card will be issued with minimum un-expired period of 6 months.
- 1.10. Card is meant only for domestic usage and denominated & settled in INR only.
- 1.11. Maximum Load/ Reload cannot exceed maximum balance stipulated for the category of the card.

- 1.12 Card will be activated on first load of amount through debit to operative account. However, in case of classic prepaid card issued to non-customers, it may be through Cash.
- 1.13 Transfer from prepaid card to card holders' operative account through which it was purchased is permitted.
- 1.14 Card will be issued through all Branches/ RAHs/ FDs and load / reload can be done through any of the branches/ RAHs/FDs.
- 1.15 Loads/ Reload of amount can be also through other channels ATM / Net Banking / Mobile Banking / IMPS / UPI also as and when bank facilitates such solution. Load/ Reload may also be through Credit / Debit / Prepaid Card, as and when facilitated by the bank. The electronic loading / reloading of prepaid card shall be through above channels / instruments issued by regulated entities in India and all such amounts will be in Indian Rupees only.
- 1.16 The bank may also permit load through cash at Branch / Cash Deposit Machines up to the limit of the prepaid card. However, such load by cash cannot exceed Rs. 50,000 per month subject overall limit of prepaid card.
- 1.17 No interest is payable on the balances held in prepaid card account.
- 1.18 Any concession / reduction in issuance/loading/reloading/cancellation charges permitted by Circles Head to be as per instructions / guidelines issued by IT Wing, HO duly complying the relative guidelines.
- 1.19 Services charges for issue of prepaid cards to our staff members can be waived.
- 1.20 The bank may review, modify, waive issuance/loading/reloading/cancellation charges depending upon business need / market changes, as and when needed.
- 1.21 PPIs with no financial transaction for a consecutive period of one year shall be made inactive by the Bank after sending a notice to the PPI holder/s. These can be reactivated only after validation and applicable due diligence. These PPIs shall be reported to RBI separately. (RBI Master Direction No. RBI/DPSS/2021-22/82 CO. DPSS.POLC.NO.S-479/02.04.006/2021-22 dated August 27, 2021)

II. Prepaid Wallet (Fastag):

- 1.22 Bank has introduced Domestic Prepaid Wallet like NETC Wallet known as FASTag. FASTag shall be issued to fully KYC compliant CASA account holders to comply with KYC/AML guidelines.
- 1.23 Transfer from FASTag wallet to wallet holder's operative account through which it was purchased is permitted.
- 1.24 Validity of FASTag is 3 years.

1.25 FASTag is only for domestic usage.

2. ROLES & RESPONSIBILITIES:

INTRODUCTION:

- 2.1. **Pre-paid Payment Instruments:** Pre-paid payment instruments are payment instruments that facilitate purchase of goods and services, including funds transfer, against the value stored on such instruments.
- 2.2. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card.
- 2.3. The pre-paid instruments can be issued as smart cards, internet accounts, internet wallets, mobile accounts, mobile wallets, paper vouchers and any such instrument which can be used to access the pre-paid amount (collectively called Prepaid Payment Instruments hereafter).
- 2.4. The pre-paid payment instruments that can be issued in the country are classified under three categories (i) Small PPIs (ii) Full-KYC PPIs and (iii) Specific Categories of PPIs
- 2.5. **Small PPIs:** These payment instrument which is used for purchase of goods and services. Funds transfer or cash withdrawal from such PPIs shall not be permitted. Small PPIs can be used at a group of clearly identified merchant locations / establishments which have a specific contract with the issuer (or contract through a payment aggregator / payment gateway) to accept the PPIs as payment instruments.
- 2.6. **Full-KYC PPIs:** These payment instrument which is used for purchase of goods and services, funds transfer or cash withdrawal.

2.7. Specific Categories of PPIs:

Gift PPIs: These are payment instruments which can be used for purchase of goods and services, These PPIs shall be used only for purchase of goods and services. Cash withdrawal or funds transfer from such PPIs shall not be permitted.

PPIs for Mass Transit Systems (PPI-MTS): These PPIs shall be issued by MTS operators after authorization to issue such PPIs under the PSS Act. Such PPIs shall contain the Automated Fare Collection application related to transit service to qualify as such. Apart from MTS, such PPIs shall be used only at those merchant outlets whose activities are allied / related to or are carried on within premises of the MTS.

PPIs of Foreign National / Non-Resident Indians (NRIs) visiting India: These PPIs can be issued INR denominated full-KYC PPIs to foreign nationals / NRIs visiting India. Such PPIs can also be issued in co-branding arrangement with entities authorised to deal in Foreign Exchange under FEMA. The PPIs shall be issued after physical verification of Passport and Visa of the customers at the point of issuance. The PPI issuers shall ensure that such information and record thereof are maintained with them. The PPIs can be issued in the form of wallets linked to UPI and can be used for merchant payments (P2M) only. Loading / Reloading of such PPIs shall be against

receipt of foreign exchange by cash or through any payment instrument. The conversion to Indian Rupee shall be carried out only by entities authorised to deal in Foreign Exchange under FEMA. The amount outstanding at any point of time in such PPIs shall not exceed the limit applicable on full-KYC PPIs.

- 2.8. The Bank may issue prepaid cards under any of the above three categories of the Prepaid Cards.
- 2.9. The ‘Canara Prepaid Classic Card’ and ‘Canara Prepaid Plus Card’ are issued as Full-KYC PPIs.
- 2.10. The Canara Gift Card issued under specific category PPI & FASTag (NETC Wallet) are issued under Full KYC PPIs Instruments.
- 2.11. Limits: All ‘limits’ in the value of instruments stated in the guidelines, indicate the maximum value of such prepaid card that can be issued to any holder.
- 2.12. Merchants: The establishments, who accept the prepaid cards issued against the sale of goods and services.
- 2.13. FASTag issuance / loading shall be permitted to the debit of applicant customer CASA account. FASTag fee, security deposit & threshold amount in the wallet shall be stipulated within the limits prescribed by NPCI and Industry practice.

CATEGORIES OF PREPAID INSTRUMENTS:

- 2.14. ***The maximum value of prepaid instruments issued to a customer shall not exceed Rs 2,00,000/- at any point of time.***
- 2.15. ***The following types of PPIs can be issued on carrying out Customer Due Diligence as detailed: -***

- 2.15.1. *Small PPIs (or Minimum-detail PPIs) Up to Rs.10,000/- (With cash loading):***

These PPIs to be issued by accepting minimum details of the customer provided the Amount loaded in such PPIs during any month shall not exceed Rs.10,000/- and the total amount loaded during the financial year shall not exceed Rs. 1,20,000/-. Total amount debited from such PPIs during any month shall not exceed Rs.10,000/-. These PPIs shall be used only for purchase of goods and services. Cash withdrawal or funds transfer from such PPIs shall not be permitted. Such PPIs shall be reloadable in nature. This category of PPI shall not be issued to the same user in future using the same mobile number and same minimum details.

- 2.15.2. *Small PPIs (or Minimum-detail PPIs) Up to Rs.10,000/- (With no cash loading):***

These PPIs to be issued by accepting minimum details of the customer provided the Amount loaded in such PPIs during any month shall not exceed Rs.10,000/- and the total amount loaded during the financial year shall not exceed Rs. 1,20,000/-. Such PPIs shall be reloadable in nature. Loading / Reloading shall be from a bank account / credit card / full-KYC PPI.

- 2.15.3. **Full-KYC PPIs:** These PPI issued to the PPI holders Up to Rs 2,00,000/- with full KYC and can be reloadable in nature (RBI Master Direction dated August 27, 2021 updated as on 10.02.2023). The balance in the PPI should not exceed Rs. 2,00,000/- at any point of time.
- 2.15.4. In case of Full-KYC PPIs, Bank may provide facility of ‘pre-registered beneficiaries’ whereby the PPI holder can register the beneficiaries by providing their bank account details, details of PPIs issued by same issuer (or different issuer as and when permitted), etc. In case of such pre-registered beneficiaries, the funds transfer limit shall not exceed Rs. 2,00,000/- per month per beneficiary. PPI issuer shall set the limits within this ceiling considering the risk profile of the PPI holders, other operational risks, etc.. Funds transfer limits for all other cases shall be restricted to Rs.10,000/- per month.
- 2.15.5. **Gift PPIs(Specific categories PPI):** These PPIs issued after obtaining KYC details of the purchaser. Separate KYC shall not be required for customers who are issued such instrument against debit to their bank accounts and / or credit cards in India. Maximum value of each such prepaid gift instrument shall not exceed Rs. 10,000/- . Such instrument shall not be reloadable. Cash-out or funds transfer shall not be permitted for such instrument. However, the funds may be transferred ‘back to source account’ (account from where Gift PPI was loaded) after receiving consent of the PPI holder. Ensure that full details of the ultimate beneficiary are obtained for furnishing to the regulator or Government, as and when requested.
- 2.16. The Bank may introduce additional variants depending upon the business need, market / industry trend or to meeting customer needs, with the above features of prepaid cards already issued.
- 2.17. The Bank may also introduce “Virtual Prepaid Card” depending upon the business need, market / industry trend or to meet customer needs as and when such capability is enabled in existing prepaid software package.
- 2.18. ***Maximum load amount in all prepaid instruments issued per person (aggregate of all prepaid instruments issued to a person under the customer ID) is capped at Rs 2,00,000/- at any point of time in tune with RBI guidelines.***

Issue of Co-branded pre-paid cards:

- 2.19. Bank may co-brand Prepaid Cards with the name/logos of financial institution / Government Organization etc., for whose customers/beneficiaries such co-branded instruments are issued.
- 2.20. The name of our Bank shall be visible prominently on the payment instrument.
- 2.21. However, banks have been granted general permission to issue rupee denominated co-branded prepaid instruments subject to the terms and conditions as mentioned in the RBI circular RBI/2012-13/325 DBOD.No.FSD.BC.67/ 24.01.019/2012-13 dated December 12, 2012.

2.22. Bank may issue pre-paid (Full KYC PPI's) instruments to Government Organizations for onward issuance to the beneficiaries of Government sponsored schemes, subject to the following conditions:-

2.22.1. Verification of the identity of the beneficiaries shall be the responsibility of the Government Organisations.

2.22.2. These prepaid cards shall be loaded / reloaded only by debit to a bank account, maintained by the Government Organizations with our bank.

2.22.3. The maximum value of each such payment instrument shall not exceed Rs. 2,00,000/-.

2.22.4. The prepaid card shall facilitate transfer of funds from such payment instruments to a regular bank account of the beneficiary, if requested for.

2.23. ISSUE OF PREPAID INSTRUMENTS:

2.23.1 Branches shall obtain application form for issue of Prepaid Card from the Customer, as per the format prescribed by the Bank.

2.23.2 Registration of Mobile Number in CBS for Customers and Providing **Mobile Number of Beneficiary is Mandatory** for sending OTP and transaction alerts. In case of Prepaid Card request for 1 to 5 cards, the details will be keyed in at a time in SAS package/Prepaid card module by the Branch with maker / checker process.

2.23.3 The Prepaid Card account will be created in Prepaid Card Module at DBS Vertical, IT Wing, based on details keyed in SAS package/Prepaid card module by the respective Branches. The prepaid virtual a/c would be similar to credit card transaction maintenance.

2.23.4 Amount will be loaded / reloaded by the Branch, by obtaining request from the Purchaser of the Card and key in the relevant data in SAS package, with maker / checker process.

2.23.5 On successful entry of load / reload data in SAS package through load / reload, system creates transaction in CBS by debiting Customers' operative account and crediting respective pool account related to type of card.

2.23.6 Prepaid Card Module will activate the card for further usage on issue of the Card itself at the branch. No separate waiting time for activation of card is involved.

2.23.7 Bank may also issue and reload prepaid through our Business Correspondents as per guidelines issued by RBI.

2.23.8 FASTag issuance is in tune with NPCI guidelines and FASTag colors varies with category of vehicles, Tag application, RC copy of the vehicle, TAX PAN and mobile number are mandatory for tag issuance.

2.23.9 FASTag can be applied through branches & online mode. FASTag will be handed over to the applicant at branches or dispatched to the registered address/ preferred address (duly authenticating the applicant) through online mode.

2.25 TRANSACTIONS:

- 2.24.1 All card present transactions (ATM/POS transactions) will be based on PIN authentication.
- 2.24.2 While withdrawing Cash from ATMs, Card holder has to choose “Credit” when screen seeks choice between 1. Saving 2. Current and 3. Credit.
- 2.24.3 All Card Not Present Transactions (e-Commerce Transactions) will be based on OTP sent to card holder to his/her Mobile Number and/or password (Verified by Visa/Master Secure Code) created by the cardholder in our website www.canarabank.com -> Other Services ->Master Secure Code/Verified by Visa.
- 2.24.4 If mobile number is not registered for prepaid card, only ATM Cash withdrawal through ATM are allowed for that variant of prepaid card, wherever cash withdrawal is permissible for such variant of prepaid card.
- 2.24.5 In case of bank issued PPIs, cash withdrawal shall be permitted. However, cash withdrawal at PoS devices shall be subjected to a limit of Rs. 2,000/- per transaction within an overall monthly limit of Rs. 10,000/- across all locations (Tier 1 to 6 centers), subject to conditions stipulated in RBI circular DPSS.CO. PD. No.449/02.14.003/201516 dated August 27, 2015. (RBI Master Direction No. RBI/DPSS/2021-22/82 CO. DPSS.POLC.NO.S-479/02.04.006/2021-22 dated August 27, 2021).
- 2.24.6 The amount loaded in such PPIs (with maximum limit of Rs. 10,000/-) during any month shall not exceed Rs. 10,000 and the total amount loaded during the financial year shall not exceed Rs.1,20,000. (RBI Master Direction No. RBI/DPSS/2021-22/82 CO. DPSS.POLC.NO.S-479/02.04.006/2021-22 dated August 27, 2021).
- 2.24.7 FASTag transactions are based on RFID technologies. Any applicable toll amount will be deducted while the vehicle passes through the tollgate through RFID reader installed at tollgate by NETC acquiry.

2.25 AUTHORISATION OF TRANSACTION:

- 2.25.1 Transaction authorization will be received at ATM Switch for authorization.
- 2.25.2 Same will be routed to Prepaid Card Module which will approve / decline the transaction depending upon the availability of balance in prepaid card, validity of the card and PIN.

2.26 CHANNELS FOR LOAD / RELOAD:

- 2.26.1 By the Branch at specific request of the Card/Wallet Purchaser only by debit to his operative account.
- 2.26.2 Bank may provide other channels like mobile banking, internet banking, UPI, card to card transfer and through web portal or any other permissible channels as per RBI directives.
- 2.26.3 Bank may also provide facility for loading prepaid instrument through cash at Branch / Cash Deposit Machine / Business Correspondence etc.
- 2.26.4 FASTag reload option will be available at Branches through the POS (Point of Sale portal) of the product provided by the vendor besides online alternate banking channels which includes BBPS, Net Banking, Mobile Banking, UPI and Cards.

2.27 ACCOUNTING, SETTLEMENT AND RECONCILIATION:

- 2.27.1 The branches need not pass any entries in CBS. The system will generate entries in CBS based on the load/reload/refund transactions done by branches in SAS package after maker/checker process.
- 2.27.2 All the transactions under prepaid instruments will be only domestic and hence settled through NFS settlement file received through NPCI as also from VISA / Master Card. For FASTag NFS of NPCI is only the network.
- 2.27.3 *Reconciliation Vertical, Operations Wing* will be responsible for reconciliation/ tallying of the related SD Prepaid Card GLs.

2.28 DISPUTE MANAGEMENT:

- 2.28.1 The bank has dedicated grievance Redressal machinery for Redressal of all grievances which will take care of disputes under prepaid instruments also. Disputes, if any, by the PPI Holder can be preferred by way of letter or Email to Branch / Canara Public Grievances Redressal Package through our Bank Website at www.canarabank.com.
- 2.28.2 Branches to report such failed transaction disputes through Customer Complaint Redressal (CCR) package in SAS for Redressal/resolution, as per extant guidelines vide HO Cir.475/2016. Any other grievances pertaining to prepaid instruments may be taken up through SAMADHAN Portal as per HO Internal Communication No.: ICOM/105/2023
- 2.28.3
- 2.28.4 All other aspects of dispute handling is similar to extant guidelines followed in respect of disputed Debit Card Transactions, as per Debit Card Issuance Policy 2023-24.
- 2.28.5 For FASTag exclusive customer care portal (www.fastag.canarabank.in) and customer care centre (Toll free: 1800 103 3568) are made available for customer complaint redressal.
- 2.28.6 Customers has to place their grievance issues/ suggestions, if any:
- 2.28.7 Through CPGRS package through our Bank Website,
- 2.28.8 By Submission of a specific written letter to Branch.
- 2.28.9 Branches on receipt of such complaints / grievances have to attend the same on priority and report through CPGRS Package or SAMADHAN Portal issues.
- 2.28.10 All dispute resolution shall be dealt in accordance with terms and operative guidelines of Visa/MasterCard/NPCI. Such resolutions are required to be attended within the time stipulated by the regulators/card associations

2.29 REFUND / CANCELLATION:

- 2.29.1 Card holder will be notified by SMS about the expiry of the card 45 days in advance.
- 2.29.2 Card holder may exhaust the balance in the card by withdrawing cash through ATM or usage at POS / Internet for purchases.

- 2.29.3 Refund of balance in prepaid card can be preferred within 3 months from date of expiry.
- 2.29.4 Card Holder / Purchaser Institution will submit an application in specified format to Branch seeking refund within 3 months from date of expiry / or on cancellation / hot listing of the card.
- 2.29.5 The same will be scrutinized as to correctness of signature and other details of card.
- 2.29.6 After due verification as to genuineness and correctness of application, Branch to key in the details of refund request in SAS - Prepaid Card Module through maker and checker.
- 2.29.7 All such successful entries in SAS package will be processed at Card Business Management Section, DBS Vertical, IT Wing and a refund / reversal of prepaid Card Balance will be generated by the System by debiting the prepaid instrument Balance and crediting the operative account of purchaser, duly recovering necessary charges for refund, as specified. Such refund will happen on T+1 Days.
- 2.29.8 The funds can be transferred 'back to source account' (payment source from where the PPI was loaded) or 'own bank account of the PPI holder' (duly verified by the Bank). However, Bank shall set the limits considering the risk profile of the PPI holders, other operational risks, etc.
- 2.29.9 Cash-out or funds transfer shall not be permitted for Gift PPI instrument. However, the funds may be transferred 'back to source account' (account from where Gift PPI was loaded) after receiving consent of the PPI holder. (RBI Master Direction No.RBI/DPSS/2021-22/82CO.DPSS.POLC.NO. S-479/02.04.006/2021-22 dated August 27, 2021)
- 2.29.10 In case, the refund is not done on T + 1 day, Branches have to place the disputes, delay if any in credit of such refund in Canara Tech Support - Non-CBS Issues for early resolution.
- 2.29.11 The TM Section, of respective Circle Office, will escalate to Reconciliation Vertical, Operations Wing through Canara Tech Support package for refund which will be addressed on priority.
- 2.29.12 Bank may also facilitate refund request by card holder like SMS / sending email/ request letter to Branch / calling Call Centre or dedicated mobile numbers duly establishing the credentials of the Card Holder and by credit to his Bank Account only.
- 2.29.13 FASTag reconciliation of transaction will be handled by Reconciliation Vertical, Operations Wing.
- 2.29.14 FASTag cancellation / closure request shall be entertained at branches on specific request from Tag holder. The tag holder shall give a written request for cancellation / surrender /closure of the Tag along with the existing Tag.
- 2.29.15 Branches shall take up with Card Business Management Section and refund to the Tag holder's account would be made after waiting period for all authorized (settled) transactions as per NPCI guidelines (presently 3 days).
- 2.29.16 ***Closure and Replacement of Fastag is now made available online for customers. Customers can request for closure and replacement of Fastag through Fastag Customer portal.***

HOTLISTING:

- 2.29.17 Card Holder can Hot List his card by various channels like SMS/ sending Email / request letter to Branch / calling Call Centre or dedicated mobile numbers dedicated for that purpose.
- 2.29.18 In case of Loss / Stolen of the vehicle or any other scenarios of loss/stolen of CANARA BANK FASTag, CANARA BANK FASTag holders should immediately lodge an FIR in the local police station and should be able to produce the relevant documents to the bank.
- 2.29.19 The Tag holder should immediately notify the Contact Centre (Toll free number 1800 103 3568 of the vendor for handling customer queries/ complaints) regarding the loss of the Tag. The contact centre will ask for certain information about the Tag holder and arrange for blocking the Tag to ensure that it is blocked/ not used fraudulently by any person.

2.30 BULK PURCHASES OF PREPAID CARDS:

- 2.30.1 Corporates, Institutions, Government Department and Other organization (purchaser) who are our Customers with full KYC, can request for bulk issue of prepaid cards by submitting an application in prescribed format along with list of beneficiaries like Name, Address, Date of Birth, Mobile No., any one of Aadhaar/Voter ID/ Driving License / PAN Number / any other valid documents, as annexure to the application, along with copy of KYC document of the beneficiaries.
- 2.30.2 Also a soft copy of such list in Excel format for upload of beneficiary details to Prepaid Card Package. The format of the soft copy of Excel sheet will be provided in CANNET -> Card Information -> Prepaid Cards, which can be downloaded and provided to such purchaser.
- 2.30.3 Such application is to be signed by Authorised signatory as specified in the respective operative account of such Corporate, Institution, Government Department or other Organization as the case may be. The signature of the Authorised signatories is to be necessarily to be verified by the supervisor.
- 2.30.4 The Branch has to verify/tally the amount debited from the SB/CA/OD Account of the corporate and the total amount to be loaded on multiple cards.
- 2.30.5 The file will have to be uploaded through SAS interface for issuing bulk prepaid cards.
- 2.30.6 Branches to generate the report of Cards / PINs and hand over the list along with relevant Cards / PINs to respective corporate, for further delivery to the ultimate beneficiaries.
- 2.30.7 The corporates have to undertake to ensure safety of the Cards/ PINs and delivery of the cards to the respective beneficiaries only.
- 2.30.8 Bank may issue prepaid cards to entities / employers such as unlisted corporate / partnership firms/ sole proprietorship / public organizations like municipal corporations, urban local bodies etc (employers) for onward issuance to their staff / employees / contract workers, etc.

- 2.30.9 Branches shall extend this facility only to those entities / ‘employers’ who have a bank account with them and beneficiaries to undertake / declare that they have not obtained such prepaid card facility from any other bank, in the respective application.
- 2.30.10 Verification of the identity of the staff/employees / contract workers, etc. shall be the responsibility of the concerned ‘employer’. The bank will capture / maintain the details of such employees along with copies of photograph and identity proof of such employees.
- 2.30.11 Bank will load / reload the fund to prepaid cards issued to these employees after obtaining necessary authorization / details from the employers.

2.31 PREPAID CARD [CORPORATE] - SETTING OF DAILY LIMITS AT ACCOUNT LEVEL FOR LOAD / TOP UP OF BULK PREPAID CARDS.

- 2.31.1 Fixing of daily account level limit will be applicable only for Corporate CASA Accounts and only for the purpose Prepaid Card Load / Top-up to be made to prepaid cards.
- 2.31.2 The Branches to assess need based limit depending on number of prepaid cards issued and total amount of Load/ Top-up required for a particular prepaid card.
- 2.31.3 Branches will seek permission for need based enhancement of Daily Account Level Limit for Corporate Prepaid Card Load / Top-up in the prescribed format (Enclosed as per Annexure) from Circle Head / PCB Head and submit the same to our ***Card Business Management Section, DBS Vertical, IT Wing.***
- 2.31.4 Such request by the PCB / Branch has to be duly permitted by the respective PCB Head / Circle Head, for increasing daily account level limit for Corporate CASA Account for the purpose of load / top-up of Prepaid Cards duly assessing the need and risk associated.
- 2.31.5 The branches will take up with Card Business Management Section, DBS Vertical, IT Wing for enhancement in such daily account level limit with due permission.
- 2.31.6 The daily account level limit for Corporate as above will be done only on specific request by the Branch which will be enabled by Card Business Management Section, DBS Vertical, IT Wing.
- 2.31.7 The option for setting Account Level Limit for Corporate CASA Accounts for Prepaid Card Load/ Top-up in CBS will be through “maker” and “checker” security and only Card Business Management Section, DBS Vertical, IT Wing is authorized to invoke the above option and enhance the account level limit.
- 2.31.8 Branches have to review such Daily Account Level Limit periodically and take up with DBS Vertical, IT Wing for increase/reduction as the case may be.
- 2.31.9 The maximum value of prepaid instruments issued to a customer shall not exceed Rs 2,00,000/-/(RBI Master Direction dated August 27, 2021,) with full KYC and can be reloadable in nature. The balance in the PPI should not exceed Rs. 2,00,000/- at any point of time.

3. REPORTING STRUCTURE / REQUIREMENTS:

- 3.1 As per RBI guidelines (RBI Master Direction No. RBI/DPSS/2021-22/82 CO. DPSS.POLC.NO.S-479/02.04.006/2021-22 dated August 27, 2021), we need to report the Prepaid Card Statistics every month to RBI under Automatic Data Flow as per Process as Return No.106.

4, 5 & 6. RISK ASSESSMENT / RISK MEASUREMENT / RISK MITIGATION:

- 4.1. Value of Prepaid Instrument is paid by the purchaser up front, the bank does not carry any Credit Risk in this regard.
- 4.2. The PREPAID INSTRUMENT will be marketed through our Branches, supported by dedicated Marketing Team.
- 4.3. As far as Operational Risk is concerned, the following steps will mitigate the operational risk involved in PREPAID INSTRUMENT.
 - 4.3.1. All the Prepaid Instruments stock supplied to the branches are to be treated as high security items and to be handled accordingly as per extant guidelines. Prepaid Instruments are to be issued to Customer against his request / acknowledgement.
 - 4.3.2. All transactions of load / reload / refund are system generated through keying of details by Branch through SAS Package with maker and checker method.
 - 4.3.3. All Accounting of Sundry Deposit under Prepaid Instrument is handled at *Reconciliation Vertical, Operations Wing, HO* settled / reconciled / tallied periodically and to be monitored reviewed by minimum Divisional Manager. Hence there are no Operational Risks in handling prepaid card.
 - 4.3.4. In case of Bulk card issue, there is risk of safety of cards / PIN mailer. Such bulk cards to be issued only to our customers who are our account holders where full KYC has been complied. List of Beneficiaries to be provided to the Bank.
 - 4.3.5. Such applicants have to undertake to ensure safety of the cards / pin till it is issued to the ultimate beneficiary, as per the list provided by such applicants, while seeking issue of card. They also have to undertake that it is their responsibility to issue to ultimate beneficiary against acknowledgment.
 - 4.3.6. Non-customers seeking issue of prepaid card will be issued with classic prepaid with limit up to Rs.10000/- only against specific application duly complying KYC/AML/CFT/RBI guidelines with an undertaking that he has not availed such facility from any other bank, against specific application duly furnishing his mobile number, KYC document details, Bank Account Number, communication / permanent address.

7. STRATEGIES FOR MEETING OBJECTIVES:

- 7.1. Circles will be fixed with monthly / quarterly / half-yearly / yearly targets on number / amount under prepaid cards. Circles in turn will fix targets to Regional offices and Regional Offices will allocate same to branches.
- 7.2. Branches to create awareness among all the customers about the Prepaid Instrument and issue prepaid instruments to all eligible customers.
- 7.3. Marketing Team at Circles / ROs to assist branches in popularizing issue / usage of prepaid instruments, to arrive at / execute suitable strategies for issue / usage of prepaid instruments to/by maximum number of customers.

8. LIMIT STRUCTURE / TRIGGER MECHANISM, IF ANY:

- 8.1. All the prepaid Instruments, issued is subject to ‘Limits’ prescribed for each prepaid card variant which means, maximum balance that can held in prepaid Instrument at any point of time. Maximum liability of all the Prepaid Instruments issued to a fully KYC customer, shall not exceed Rs.2,00,000/- at any point of time.
- 8.2. There is no limit for number of instruments that can be issued and need-based number of instruments to be decided by the Branch duly exercising due diligence of the purpose for which such bulk instruments are sought. Branch / Bulk Instrument Applicant to ensure compliance of AML/ KYC / CFT / PML rules.

9. PROVISION FOR EXCEPTION / RATIFICATION PROCEDURE AND ITS DELEGATION:

- 9.1. The Executive Director shall be the competent authority for permitting:

- 9.1.1 To modify /change prepaid Instrument, scheme/ features of the Instrument, which may be required keeping in view the Industry trend / change in Net Work Association rules / regulatory guidelines / Bank’s business need.
 - 9.1.2 To waive / modify the services charges for prepaid card depending on business need / market trend.

10. COMPLIANCE/ MONITORING OF IMPLEMENTATION OF THE POLICIES:

- 10.1. Our Bank has obtained permission from RBI, for issue and operation of prepaid instruments vide RBI letter DPSS/CO/PD/1544/02.14.004/2009-10 dated 21.01.2010, in compliance with guidelines issued from time to time.
- 10.2. Issue and operation of Prepaid Instruments are governed by “Master Circular - Policy Guidelines on issuance and Operation of Pre-Paid Payment instruments in India” issued by Reserve Bank of India vide Master Circular dated 01.07.2016 and additional communication DPSS.CO. PD. No.1288/02.14.006/2016-17 DATED 22.11.2016.

- 10.3. All the guidelines issued by Reserve Bank of India subsequent and in addition to above has to be complied as and when issued.
- 10.4. All Prepaid Instruments usage data to be reported to RBI on a monthly basis under Automated Data Flow - Return No.106.
- 10.5. Prepaid Instruments are to be issued duly complying rules under Anti Money Laundering, Combating Financing Terrorism, Know Your Customer and Prevention of Money Laundering rules.

11. REGULATORY PRESCRIPTION:

- 11.1. The issue and operation of prepaid Instruments are governed by RBI Master Circular on Prepaid Instruments dated 01.07.2016 & RBI Master Direction No. RBI/DPSS/2021-22/82 CO. DPSS.POLC.NO.S-479/02.04.006/2021-22 dated August 27, 2021
- 11.2. The prepaid cards and FASTag are classified & covered as one of Prepaid Instruments (PPIs) as referred in RBI Master Circular on Prepaid Instruments Policy dated 01.07.2016.
- 11.3. All instructions on prepaid Instruments by Reserve Bank of India are governed by Statutory Guidelines issued by Reserve Bank of India under Section 18 read with Section 10(2) of Payment & Settlement Systems Act, 2007 (Act 51 of 2007).
- 11.4. Maximum amount of load in Prepaid Instruments per individual during a calendar year and balance in prepaid instruments per individual at any point of time shall be as per the RBI guidelines.
- 11.5. The card can be used only in India and also in Nepal, Bhutan and other exempted countries which may vary as per RBI guidelines.
- 11.6. Prepaid Instruments loading & re-loading shall be done only up to the cap permitted as per RBI Guideline.
- 11.7. Prepaid Instrument holders can retain the unspent amount till expiry of the Prepaid Instrument.
- 11.8. The guidelines on Know Your Customer/Anti-Money Laundering/Combating Financing of Terrorism guidelines issued by the Reserve Bank of India to banks, from time to time, shall apply mutatis mutandis in issuance pre-paid Instruments. This data should be available for scrutiny by the Reserve Bank India or any other agency / agencies as may be advised by the Reserve Bank.
- 11.9. Provisions of Prevention of Money Laundering Act, 2002 and Rules framed there under, as amended from time to time are also applicable to Prepaid Instruments and to be strictly complied.
- 11.10. The use of pre-paid payment instruments for cross border transactions shall not be permitted except for the payment instruments. Persons issuing pre-paid payment instruments shall maintain a log of all the transactions undertaken using these instruments.
- 11.11. Bank shall also file Suspicious Transaction Report (STR) to Financial Intelligence Unit - India (FIU-IND), whenever such transactions are observed.
- 11.12. Prepaid Instrument not used for more than one year is treated as Inoperative.

- 11.13. Service charges @ Rs.100/- per year + applicable GST shall be levied on expired prepaid instrument (validity of Domestic Prepaid Instrument 5 years, Gift Card 1 years, FASTag 3 years) on completion of every year as maintenance charges after giving notice to customer and prepaid instrument with less than Rs.100/- shall be closed after giving proper notice.
- 11.14. Bank is complied with the guidelines given in Annexure as published by RBI based on Master Directions on Digital Payment Security Controls with regard to Card Payment Security vide Notification RBI/2020-21/74 DoS.CO.CSITE.SEC. No.1852/31.01.015/2020-21, dated 18.02.2021.
