



Payment Vision 2025: RBI

For Prelims: Payment Vision 2025, Achievements of Vision Document 2019-21, RBI

For Mains: Objectives and Significance of Payment Vision 2025

Why in News?

The [Reserve Bank of India \(RBI\)](#) has come out with “**Payments Vision 2025**” with an objective to provide every user with **safe, secure, fast, convenient, accessible and affordable e-payment options**.

What is Payment Vision 2025?

▪ About:

- Payments Vision 2025 has been prepared by considering the guidance from the [Board for Regulation and Supervision of Payment and Settlement Systems of the RBI](#).
- It builds on the initiatives of [Payments Vision 2019-21](#).
- The Payments Vision 2025 document is presented across the five anchor goalposts of **Integrity, Inclusion, Innovation, Institutionalisation and Internationalisation**.

▪ Theme: E-Payments for Everyone, Everywhere, Everytime (4Es).

▪ Objectives:

- To elevate the **payment systems towards a realm of empowering users with affordable payment options** accessible anytime and anywhere with convenience.
- To enable **geotagging of digital payment infrastructure and transactions and revisiting guidelines for [Prepaid Payment Instruments \(PPIs\)](#)**, including closed system PPIs.
- **Regulating all significant intermediaries in payments ecosystems** and linking credit cards and credit components of banking products to UPI.
- **To bring in enhancements to [Cheque Truncation System \(CTS\)](#), including One Nation One Grid clearing and settlement perspective**, and creating a payment system for processing online merchant payments using internet and mobile banking.
- **Regulation of [BigTechs](#) and [FinTechs](#)** in the payments space.
- **Examining of BNPL (Book Now Pay Later) methods** and exploration of appropriate guidelines on payments involving BNPL.

▪ Goals to Achieve:

- Volume of cheque-based payments to be less than 0.25% of the total retail payments.
- **Tripling the number of digital payment transactions**.
- UPI to register average annualised growth of 50% and IMPS / NEFT at 20%.
- Increase of payment transaction turnover vis-à-vis GDP to 8.
- Increase in **debit card transactions at PoS (Point of Sale) by 20%**.
- Debit card usage to **surpass credit cards in terms of value**.
- Increase in **PPI transactions** by 150%.
- Card acceptance infrastructure to **increase to 250 lakh**.
- Increase of registered customer base for mobile based transactions by 50% CAGR.

- Reduction in Cash in Circulation (CIC) as a percentage of GDP.

What is the Significance of the Move?

- **Shaping India's Payment Ecosystem:**
 - The RBI's Payments Vision 2025 will be significant in shaping **India's payment ecosystem, propelling a safer, more secured, and seamless payment infrastructure.**
- **Yardstick to All Payment Players:**
 - This document will act as a **yardstick for all payment players**, FinTech's and other stakeholders, encouraging them to enhance their capabilities by aligning with the RBI's overall objectives.
- **Global Reach:**
 - Through initiatives such as UPI, the RBI has democratised payments within India. With the 2025 vision, payments will be available for 'Everyone, Everywhere, Every time', giving **global reach to Indian payment systems**, making them safe, secure, fast, convenient, and affordable.

What are the Achievements of Payments Vision 2019-21?

- The Payments Vision 2021 had envisaged **empowering every Indian with access to a bouquet of e-payment options** that is safe, secure, convenient, quick and affordable, and had set four goalposts of Competition, Cost, Convenience and Confidence.
- These goalposts have been accomplished through the following initiatives:
 - **Competition:**
 - Creation of **regulatory sandbox**, opening access of **Centralised Payment Systems (CPS)** to non-bank PSOs, facilitation of **small value digital payments in offline mode, 'on tap' authorisation** for payment systems, internationalisation of domestic payment systems, feature phone-based payment services, framework for self regulatory organisation for payment systems, etc.
 - **Cost:**
 - Waiver of charges levied by RBI for transactions processed in the Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) systems etc.
 - **Convenience:**
 - Availability of NEFT, RTGS and National Automated Clearing House (NACH) on 24x7x365 basis, harmonisation of Turn-Around-Time (TAT) for resolution and compensation in respect of failed transactions etc.
 - **Confidence:**
 - Framework for regulating Payment Aggregators (PAs), e-mandates for recurring transactions, tokenisation of card transactions and Card-on-File Tokenisation (CoFT) etc.

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Q. Consider the following statements: (2019)

The Reserve Bank of India's recent directives relating to 'Storage of Payment System Data, popularly known as data diktat, command the payment system providers that

1. they shall ensure that entire data relating to payment systems operated by them are stored in a system only in India
2. they shall ensure that the systems are owned and operated by public sector enterprises
3. they shall submit the consolidated system audit report to the Comptroller and Auditor General of India by the end of the calendar year

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (a)

Exp:

- In order to have unfettered access to all payment data for supervisory purposes, the Reserve Bank of India had directed that all the system providers **shall ensure that the entire data relating to payment systems operated are stored in a system only in India**. This data includes the full end-to-end transaction details/ information collected/carried/processed as part of the message/payment instruction. Hence, statement 1 is correct.
- No provision regarding the **ownership and operation of the systems by public sector enterprises has been provided**. Hence, statement 2 is not correct.
- RBI had also directed payment system providers to **submit the System Audit Report (SAR) with audit mandatorily conducted by CERT-IN empaneled auditors**. Hence, statement 3 is not correct. Therefore, option (a) is the correct answer.

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