

RBI reiterates its stand on data localisation; says, payment data of Indian customers to remain in India

By: FE Online

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Reiterating its stand on data localisation norms, the Reserve Bank of India (RBI) on Wednesday said that payment data of the Indian customers should only be stored in India. “The entire payment data shall be stored in systems located only in India...,” the RBI said in its FAQs on certain implementation issues raised by the Payment System Operators (PSOs). In case payment processing is done abroad, data should be deleted there and brought back to India within 24 hours, it also said, adding a copy of the data of domestic leg may be stored abroad for cross border transactions. The central bank also clarified that the data can only be shared with the foreign regulators after its approval.

In April 2019, the RBI had asked the payment firms to guarantee that their data are exclusively stored on local servers and also set a compliance deadline of six months. A few of the foreign companies are said to have missed the deadline. Meanwhile, last Monday, Commerce and Industry Minister held extensive consultations with the tech industry and e-commerce companies.

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“All the companies who were represented in this meeting put forth their concerns related to RBI data storage requirements and processing related guidelines issued by the RBI. Deputy Governor of RBI, BP Kanungo, assured the industry representatives that the Reserve Bank of India will look into this,” a statement by the ministry had said.

In April 2018, the central bank had issued a circular saying that all the data of the Indian customers related to the payment systems should be stored in a system only in India within a timeframe of six months. Generally, the global companies store their data on global servers and the Indian policymakers are of the view that local storage of data would help supervise and conduct investigation if the need comes up.

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