

# March 16 deadline: Banks seek more time from RBI for on/off option on international card-based transactions

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Banks have asked the Reserve Bank of India (RBI) for more time to implement its [fiat](#) on enabling an on/off option on international card-based and all card-not-present transactions. Banks were supposed to implement it by March 16, 2020. The Indian Banks' Association (IBA) is understood to have written to the regulator seeking a few more months to revamp the infrastructure to meet with new requirements, two people aware of the development told FE.

While most banks are in favour of an extension of the March 16 deadline, some banks, including [State Bank of India](#), already offer this facility to their customers. "One ask is to extend the deadline by at least three months. At the same time, there is also an ongoing discussion on the amount of liability protection that should be offered to the customer," one of the persons present at a recent meeting between bankers said. In other words, as the transition to the new switch-based system enhances security of transactions, there may be a case for reducing the payout that banks will be liable to make in case of incidences of failure or fraud in such transactions, bankers said.

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Lenders are of the view that the two-factor authentication protocol followed in India is sufficiently secure and the additional security features being sought will only add a further layer of comfort. Indeed, some bankers pointed out that at a time when there is a government project to migrate the country's public transportation infrastructure to contactless payments, the new security feature actually runs counter to that goal. "The government's plan for the NCMC (National Common Mobility Card) is based entirely on contactless and, in fact, assumes that all cards are enabled for contactless payments. What does such a notification mean then for that project?" a banker said.

On January 15, the RBI had issued a notification directing banks to offer the facility to carry out all international card-based transactions as also contactless card transactions to only those users who specifically choose to avail it. The notification said that the directive is aimed at improving user convenience and increasing the security of card transactions.

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