

Benchmarks >

Nifty **CLOSED**

Benchmarks >

Stock Screener >

Top Growth Stocks
NSE Gainer-Large Cap >

Search, Select & Invest in Top Stocks

Stocks with Regular Payout

NSE Loser-Large Cap >

Mid-Cap Growth Stocks

FEATURED FUNDS

Mirae Asset Large Cap Fund
Regular - Growth

★★★★★

5Y RETURN

7.07 %

INVEST NOW

Stock Analysis, IPO, Mutual Funds, Bonds & More

Market Watch

All payments via cards can now be contact-free

BY ASHWIN MANIKANDAN, ET BUREAU | MAY 01, 2020, 07.47 AM IST

Post a Comment

MUMBAI: The [Reserve Bank of India](#) has given the green signal to the country's payment networks — [Visa](#), [Mastercard](#) and [NPCI](#) — to allow [tap-and-go](#) functionality on [card payments](#) for all purchases at retail stores and shopping centres, a move aimed at making such [transactions](#) safer and contact-free during and after the coronavirus pandemic.

Big Change:
The end of Five-Year Plans: All you need to know

After due upgrades by banks and payment service providers, customers can avoid swiping their credit and debit cards at shops enabled with contactless point-of-sale devices, even for purchases exceeding the current limit of Rs 2,000.

Tap-and-go card payments for purchases above Rs 2,000 will require two-factor authentication and customers must enter a PIN to process the transaction.

“Card-present (CP) transactions with EMV chip and PIN cards may be processed in contactless mode, irrespective of the transaction value,” the RBI said in an email to the country's three card networks. “However, the transactions with values over Rs 2,000 shall be authenticated by PIN.”

ET has reviewed a copy of the email dated April 27 sent to Visa, Mastercard and the [National Payments Corporation of India](#).

Tap-and-go transactions are enabled by radio frequency identification technology and don't require physical contact with a payment terminal.

Customers can still transact through traditional means by swiping their cards where the option is available, the central bank reiterated in the letter.

“It is now incumbent on banks and payment participants to implement the changes in infrastructure,” said an official aware of the matter. “The system changes needed are not too complicated. The card issuers, merchant acquirers and consumers need to be readied. It should be a matter of three months if all goes well.”

NPCI has been advising customers to make more contactless payments. For Mastercard, such transactions rose by 40% in the first quarter of the year, CEO Ajay Banga told reporters at a press briefing on Wednesday. Visa has been piloting projects to bring the technology to smartphone devices in India and abroad.

Additionally, firms like Samsung, Apple, Pine Labs and Worldline have been trying to bring PoS devices and virtual debit card functionalities to smartphones.

Stay on top of business news with The Economic Times App. [Download it Now!](#)