



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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October 20, 2015

RBI invites Applications for authorising Bharat Bill Payment System Operating Units (BBPOUs)

The Reserve Bank of India today invited applications for authorisation from entities currently engaged in bill payments and desirous of operating as Bharat Bill Payment System Operating Units (BBPOUs) under the Bharat Bill Payment System (BBPS). The BBPS will be an authorised payment system operated by National Payment Corporation of India (NPCI).

To begin with, under BBPS the BBPOUs will function as entities facilitating collection of repetitive payments for everyday utility services, such as, electricity, water, gas, telephone and Direct-to-Home (DTH). Entities currently engaged in such bill payment activities and desirous of continuing the activity are mandatorily required to apply for authorisation to the Reserve Bank of India under the Payment and Settlement Systems (PSS) Act 2007.

Applications in prescribed format may be made to the Chief General Manager, Department of Payment and Settlement System, Reserve Bank of India, 14th Floor, Central Office Building, Shahid Bhagat Singh Marg, Mumbai-400001. **The applications will be accepted till the close of business on November 20, 2015.**

The general guidelines, as well as the application format for non-bank entities to seek authorisation under the PSS Act for operating a payment system, are available at <http://rbidocs.rbi.org.in/rdocs/Forms/DOCs/PSSACRT130215.DOC>. Applicants may also provide additional inputs as indicated in the template.

For Non-Banks

Non-bank entities applying for authorisation and fulfilling the eligibility criteria laid out in para 13 of the BBPS guidelines will be issued “in-principle” authorisation to join the BBPS under the PSS Act. Those which have applied for authorisation but do not presently meet the eligibility criteria (as laid out in para 15 of the BBPS guidelines) will be given one-time extension upto December 31, 2016 to meet the eligibility criteria. They can continue to engage in bill payments activities during this period. If, however, such entities fail to meet the eligibility criteria by December 31, 2016, they will be required to become agents of the existing BBPOUs or exit the business of bill payments by May 31, 2017.

For Banks

Banks desirous of becoming BBPOUs will be required to submit a copy of the approval of their Board for undertaking this activity along with a letter seeking one time approval from the Department of Payment and Settlement Systems, Reserve Bank of India, Central Office, Mumbai. Banks may also provide details of the type of billers and bill payments that is being handled and/or proposed to be handled by them as BBPOUs. A complete list of billers for whom services are presently offered may also be provided. **The request letters from banks will also be accepted till close of business on November 20, 2015.**

The scope of bills covered under the BBPS would gradually be expanded to include other types of repetitive payments. In order to enable entities dealing with such payments to become part of the BBPS, the authorisation window would be re-opened at an appropriate time in future. While the BBPS will provide an accessible and interoperable bill payments environment, bill payments at billers' own collection points will continue to be available to customers.

All entities (including banks) failing to apply for authorisation/approval and continuing to engage in bill payment activities covered under the scope of BBPS would be treated as conducting the business in contravention of the BBPS guidelines issued under the Payment and Settlement System Act 2007, and may invite penal action by the Reserve Bank.

Background

The Reserve Bank of India had, on November 28, 2014, released the final guidelines for implementation of Bharat Bill Payment System (BBPS) ([circular RBI/2014-15/327/DPSS.CO.PD.No.940/02.27.020/2014-15](#)). The circular had indicated that the National Payment Corporation of India (NPCI) will function as the authorised Bharat Bill Payment Central Unit (BBPCU) to set standards for BBPS processes which need to be adhered by all the operating units under the system. Further, prospective participants were also advised to interact with NPCI. The Reserve Bank was to notify in due course the exact date from which/format in which such applications for authorisation/approvals can be submitted.

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Alpana Killawala
Principal Chief General Manager

**Additional Information to be submitted
with the application for authorisation as BBPOU**

1.	Memorandum of Association (MOA) of the applicant entity covering the proposed activity of operating as BBPOU with clear indication of relevant clauses.
2.	Copy of necessary approval in case of any Foreign Direct Investment (FDI) in the company, as required under the policy notified by Department of Industrial Policy and Promotion (DIPP) under the consolidated policy on FDI and regulations framed under the Foreign Exchange Management Act (FEMA)
3.	Necessary documents to indicate availability of net worth of at least Rs.100 crore as per the last audited balance sheet.
4.	Details of past experience in the field of bill payments, including presence in online and physical space.
5.	The type of billers and bill payments that is being handled and/or proposed to be handled as a BBPOU, if authorised. Complete list of billers for whom services are presently offered may be provided.
6.	Any other specific inputs having a bearing on the application that the entity would like to provide

Note: For computation of Net Worth please refer to the instructions available at https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=9490&fn=9&Mode=0