



**RBI postpones the implementation of certain provisions of the
Master Direction**

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The Reserve Bank of India has provided an additional three months to banks and NBFCs that issue credit and debit cards to comply with the certain norms, including activating cards without customer consent.

The regulator had directed banks and NBFCs to implement the Master Direction that it had issued for credit and debit cards under Issuance and Conduct Direction 2022 from July 1. After receiving numerous requests from various stakeholders, the Reserve bank of India has decided to extend the timeline for implementing specific provisions of the Master Direction circular issued on October 01, 2022.

The provision relating to the activation of credit cards is one of the reasons for the extension of time. The direction states that the card issuer has to mandatorily seek an OTP activation that shall act as consent for activating the credit card if it has not been activated 30 days from the date of issue.

If no consent is given, the issuer must close the credit card account without charging an extra amount from the customer within seven days after receiving the customer's confirmation on the same. The card issuer had also asked to ensure that the card limit is not breached at any point without the customer's confirmation. Even in such cases, the card issuers have been given time till October 1.

Further, the regulator has also postponed certain norms such as unpaid charges and interest compounding by three months. The direction mention that there should be no capitalisation of unpaid charges/levies/ taxes for charging/ compounding of interest.

However, the deadline for other provisions shall remain the same, that is July 1.



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