

Date: May 31, 2013

Shri. Vijay Chugh
Chief General Manager
Reserve Bank of India
Fort,
Mumbai – 400 001

SUB: Representation seeking extension in implementation of security and risk mitigation measures related to Card Present (CP) transactions.

Dear Sir,

It is my pleasure to write to you on behalf of the Retailers Association of India (RAI)!

Retailers Association of India (RAI) is the unified voice of Indian retailers. RAI works with all the stakeholders for creating the right environment for the growth of the modern retail industry in India. It encourages, develops, facilitates and supports retailers to become modern and adopt best practices that will delight customers.

RAI is the representative body of Retailers in India having over 900 member establishments including large and small retailers in the country and represents over 98000 stores in India. RAI membership includes a significant number of SMEs. We only accept a retailer as a member if they issue a cash memo for all purchases made from them by customers.

We appreciate RBI's concern over frauds and threats related to electronic payments. The increased popularity among customers in making electronic payment has exposed them to various cyber based frauds. Cyber attacks are becoming unpredictable and electronic payments are becoming vulnerable to new types of misuse. RBI circular vide RBI/2011-12/194 dated September 22, 2011 issues following measures to mitigate risk on Card Present (CP) transactions:

1. Commercial readiness of acquiring infrastructure to support PIN for Point of Sale (POS) transactions. POS infrastructure to be made ready for accepting EMV Chip cards
2. Enablement of all POS terminals to accept debit card transactions with PIN
3. Issuers to be ready from technical perspective to issue EMV Cards
4. EMV Chip Card and PIN to be issued to customers who have evidenced at least one purchase using their debit/credit card in a foreign location.

The above tasks are to be completed by June 30, 2013.

Our submission in this regard is as under:

1. For accomplishment of the above mentioned tasks, supporting infrastructure needs to be installed at the payment terminals.
2. System changes and appropriate training to staff will need to be undertaken to accommodate PIN based transactions which will take time to implement.
3. We understand that even the banking companies are not ready to adopt this change.

Hence, we believe that there is a need to extend this deadline at least by one year so that both, retailers and banking companies can set-up requisite infrastructure.

We hope and believe that you will receive our representation favorably and look forward to your kind action in this regard.

Looking forward to an early reply.

Yours sincerely,

For Retailers Association of India



Kumar Rajagopalan
CEO