

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 526

ANSWERED ON MONDAY, FEBRUARY 6, 2023/ MAGHA 17, 1944 (SAKA)

White Label ATMs

526. SHRI MOHANBHAI KALYANJI KUNDARIYA:
SHRI DIPSINH SHANKARSINH RATHOD:

Will the Minister of FINANCE be pleased to state:

- (a) the details and the salient features of 'White Label ATMs (WLAs);
- (b) the details of benefits extended to entities for installations of White Label ATMs;
- (c) the number of entities permitted to install White Label ATMs across the country, district-wise and State-wise; and
- (d) whether any complaints have been received against the WLA, if so, the details thereof along with the mechanism followed to resolve the same?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) Reserve Bank of India has apprised that in order to drive ATM penetration in the country with a greater focus on Tier III to VI centres, non-bank companies have been permitted to set up, own and operate White Label ATMs (WLAs) in the country in 2012. Such non-bank entities that set up, own and operate ATMs are called "White Label ATM Operators" (WLAO) and such ATMs are called WLAs. They provide banking services to the customers of banks in India, based on the cards (debit / credit/ prepaid) issued by banks. The WLAO role is confined to acquisition of transactions of all banks' customers by establishing technical connectivity with the existing authorised shared ATM Network Operators / Card Payment Network Operators. In addition to dispensing cash, ATMs / WLAs may offer many other services / facilities to customers which include:

- i. Account Information
- ii. Cash Deposit
- iii. Regular Bill Payment
- iv. Mini / Short Statement Generation
- v. PIN Change
- vi. Request for Cheque Book

(b) The measures which have been taken to increase the penetration, viability and effective functioning of WLAs *inter-alia* are as under:

- i. RBI, vide its circular dated December 30, 2016, has allowed WLAOs to source cash from retail outlets to address the cash sourcing constraints.
- ii. To further give impetus to WLA deployment and to encourage more non-bank players to enter ATMs industry, RBI, vide its circular dated March 7, 2019, have permitted WLAOs to (i) buy wholesale cash, above a threshold directly from the Reserve Bank (Issue Offices) and Currency Chests, (ii) source cash from any scheduled bank, including Cooperative Banks and Regional Rural Banks, (iii) offer bill payment and Interoperable Cash Deposit services, (iv) display advertisements pertaining to non- financial products / services, and in addition, (v) banks were permitted to issue co-branded ATM cards in partnership with the authorised WLAOs and extend the benefit of 'on-us' transactions to WLAs as well.
- iii. RBI, vide press release dated October 15, 2019 has enabled on-tap authorisation for WLAs.

(c) RBI has informed that currently there are four authorised non-bank entities which are operating WLAs in the country.

(d) RBI has apprised that they have not received any complaint in the past one year against authorised WLA.
