

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2063  
ANSWERED ON:12.12.2008  
CREDIT CARD COMPANIES  
Nikhil Kumar Shri

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has asked financial companies engaged in the credit card business to register themselves with the Central Bank prior to their operation;
- (b) if so, the details thereof;
- (c) whether some of the credit card providers are operating in affiliation with banks;
- (d) whether the Government has noticed some deficiencies in their operation; and
- (e) if so, the corrective steps proposed to be taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) : In India, banks have been providing credit card services to their customers in collaboration with Visa and Master Card. To provide for a sound legal and regulatory institutional framework to exercise direct regulation and oversight of the diverse payment systems, including the credit card providers, in the country, the Payment and Settlement Systems Act, 2007 has been enacted. The Act and the Regulations framed thereunder require all payment systems providers to obtain authorisation from Reserve Bank of India to operate any payment systems in the country, including those relating to credit cards.