

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3357
ANSWERED ON:01.08.2014
GLOBAL CREDIT DEBIT CARDS QUESTION
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government / Reserve Bank of India (RBI) has asked the banks to impose a certain monetary limit on global credit / debit cards;
- (b) if so, the details thereof;
- (c) whether the Government proposes to establish an effective monitoring system to tackle credit/debit card frauds; and
- (d) if so, the details thereof along with the steps taken / being taken by the Government to tackle such frauds in future?

Answer

Minister of State In the Ministry of Finance (SMT. NIRMALA SITHARAMAN)

(a) and (b): For securing card and electronic transactions to tackle credit / debit card frauds, RBI vide their circular dated 2802.2013 and 24.06 2013. inter-alia advised banks that all the active Mag-stripe international cards issued by banks should have threshold limit for international usage. The threshold should be determined by the banks based on the risk profile of the customer and accepted by the customer. Till such time this process is completed an omnibus threshold limit (say. not exceeding USD 500) as determined by each bank may be put in place for all debit cards and all credit cards that have not been used for international transactions in the past

(c) & (d): RBI has also prescribed following steps to tackle credit / debit card frauds:-

- i. All new debit and credit cards to be issued only for domestic usage unless international use is specifically sought by the customer. Such cards enabling international usage will have to be essentially EMV Chip and Pin enabled.
- ii. Issuing banks should convert all existing Mag-stripe cards to EMV Chip card for all customers who have used their cards internationally at least once (for/through e- commerce /ATM/POS)
- iii. Banks should ensure that the terminals installed at the merchants for capturing card payments (including the double swipe terminals used) should be certified for PCI-DSS (Payment Card Industry- Data Security Standards) and PA-DSS (Payment Applications -Data Security Standards).
- iv Bank should frame rules based on the transaction pattern of the usage of cards by the customers in coordination with the authorized card payment networks for arresting fraud. On the basis of these rules banks should build in a system of call referral in co-ordination with the card payment networks This would act as a fraud prevention measure.
- v Banks should ensure that all acquiring infrastructure that is currently operational on IP (Internet Protocol) based solutions are mandatorily made to go through PCI-DSS and PA-DSS certification. This should include acquirers, processors / aggregators and large merchants.
- vi Banks should move towards real time fraud monitoring system at the earliest
- vii Banks should provide easier methods (like SMS) for the customer to block his card and get a confirmation to that effect after blocking the card.
- viii. Banks should move towards a system that facilitates implementation of additional factor of authentication for cards issued in India and used internationally (transactions acquired by banks located abroad).