



## RBI & Banking sector

### RBI's New Regulations for Payment Aggregators

**Final Guidelines Issued:** The Reserve Bank of India (RBI) has issued final guidelines to regulate payment aggregators (PAs), a framework that was first drafted in April 2024. These new regulations are aimed at enhancing consumer protection, preventing fraud, and bringing more transparency and security to the digital payments ecosystem.

**Expansion of Scope:** The new rules extend regulatory oversight to both online and physical (offline) payment aggregators, meaning entities handling proximity payments (e.g., at retail stores) must now also seek RBI authorization and adhere to compliance standards.

**Capital Requirements:** Non-bank entities operating as PAs must now meet strict capital norms. They are required to have a minimum net worth of ₹15 crore at the time of application and must increase this to ₹25 crore within three financial years of receiving authorization.

**Stricter Norms:** The new framework mandates a board-approved dispute resolution policy with clear timelines for refunds, robust data security infrastructure, and systems for fraud detection. PAs are also barred from engaging in marketplace business and from using ATM PINs as authentication for card-not-present transactions.

### Banking Sector and Financial Market Trends

**Banks Remain Cautious on NBFCs:** Despite the RBI restoring risk weights on bank loans to Non-Banking Financial Companies (NBFCs) to 100% in February 2025, banks remain wary of lending to the sector. Lending to NBFCs grew only 2.6% in the first four months of FY26, a significant drop from 12.7% a year earlier. Banks are particularly cautious towards smaller NBFCs with high exposure to microfinance and unsecured loans.

**Nomura Forecasts Loan Growth Revival:** Japanese brokerage firm Nomura has predicted a revival in loan growth for Indian banks. The forecast is based on signs of improving asset quality in unsecured retail loans and a gradual recovery in the microfinance sector. Nomura expects system credit growth to accelerate from 10% to 12% by FY26.

**RBI Fine on PhonePe:** The RBI has imposed a fine of ₹21 lakh on the digital payments firm PhonePe for non-compliance with rules related to prepaid payment instruments (PPIs). The central bank found that PhonePe's escrow account balance on some days was lower than the value of outstanding PPIs and payments owed to merchants.

### Other Related News

**Interest Rate Outlook:** A report by HSBC Global Research suggests that the RBI is likely to cut interest rates by 25 basis points in Q4 CY25, anticipating weaker growth due to declining export orders and slower government spending. The report also notes that inflation remains benign due to strong cereal production and lower oil prices.





spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



Dear Aspirants,

Stay updated with **important lessons, tutorials, and announcements** by subscribing to our official **WhatsApp Channel!**

Scan the QR code below to join and never miss an update!

Thank you for your continued support and enthusiasm.

Let's keep learning and growing together!



### MCQS

1.What is a key objective of the RBI's new regulations for payment aggregators?

- A) To reduce lending to Non-Banking Financial Companies (NBFCs).
- B) To expand the scope of the PM-Kisan scheme.
- C) To enhance consumer protection and prevent fraud in digital payments.
- D) To fine financial institutions for not following rules.

**Answer:** C) To enhance consumer protection and prevent fraud in digital payments.

The first paragraph of the text states that the new regulations for PAs are "aimed at enhancing consumer protection, preventing fraud, and bringing more transparency and security to the digital payments ecosystem."

2.According to the new regulations, what is the minimum net worth a non-bank payment aggregator must have at the time of its application to the RBI?

- A) ₹25 crore
- B) ₹10 crore
- C) ₹15 crore
- D) ₹21 lakh

**Answer:** C) ₹15 crore

The "Capital Requirements" section explicitly says, "Non-bank entities operating as PAs must now meet strict capital norms. They are required to have a minimum net worth of ₹15 crore at the time of application."

3.Why are Indian banks remaining cautious about lending to the NBFC sector?

- A) Because the RBI has cut interest rates.
- B) Because of Nomura's loan growth forecast.
- C) Due to concerns about high exposure to unsecured loans and microfinance.
- D) Because the RBI has fined PhonePe.







spardhaguru2022



Spardhaguru Current affairs



Spardhaguru1



SpardhaGuru



Spardha.guru



www.spardha.guru



**Answer:** C) Due to concerns about high exposure to unsecured loans and microfinance. The "Banks Remain Cautious on NBFCs" section states that "Banks are particularly cautious towards smaller NBFCs with high exposure to microfinance and unsecured loans."

**4.What was the reason for the RBI imposing a fine on the digital payments firm PhonePe?**

- A) For using ATM PINs as authentication for card-not-present transactions.
- B) For engaging in marketplace business.
- C) For non-compliance with rules related to prepaid payment instruments (PPIs).
- D) For a low forecast in loan growth.

**Answer:** C) For non-compliance with rules related to prepaid payment instruments (PPIs). The text clearly states under "RBI Fine on PhonePe" that the fine was imposed "for non-compliance with rules related to prepaid payment instruments (PPIs)."

**5.Which of the following is a key provision of the RBI's new framework for payment aggregators?**

- A) PAs must provide financial support to farmers.
- B) PAs are barred from engaging in marketplace business.
- C) PAs are required to launch development projects in Bihar.
- D) PAs must maintain a corpus fund for medical treatments.

**Answer:** B) PAs are barred from engaging in marketplace business. The "Stricter Norms" section explicitly states that "PAs are also barred from engaging in marketplace business" as part of the new framework.

Dear Aspirants,

Stay updated with **important lessons, tutorials, and announcements** by subscribing to our official **YouTube Channel!**

Scan the QR code below to subscribe and never miss an update!

Thank you for your continued support and enthusiasm. Let's keep learning together!

