

## **Final norms for payment banks next month: RBI deputy governor**

Reserve Bank of India's (RBI) Deputy Governor S S Mundra has said that the central bank plans to announce the final norms on small and payments banks next month.

"We have received comments (on the discussion paper). Soon, in a month or so, the RBI will come out with the final guidelines on small and payment banks," he said, while addressing students from the Narsee Monjee Institute Of Management (NMIMS) over the weekend.

To deepen the financial inclusion process, and help get more people under the formal financial system, the RBI has mooted the idea of small banks and payments banks.

It had come out with draft guidelines earlier and had invited comments by August 28.

Mundra sought to dismiss concerns on profitability for such banks, saying they can earn from a variety of avenues like charging for transactions and through investments in government bonds.

Once released, these final norms would allow micro-lenders, telecom players, non-banking finance companies and public sector companies eligible to apply for licences once RBI invites applications for the same.

Small banks would provide a whole suite of basic banking products such as deposits and supply of credit, but in a limited area of operations.

Payments banks would offer a limited range of products such as demand deposits and remittances. They would have a widespread network of access points particularly in remote areas, either through their own branch network or through business correspondents or through networks provided by others.

*(Times of India)*