

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO-3613

ANSWERED ON MONDAY, JULY 15, 2019 / ASHADHA 24, 1941 (SAKA)

CROSS BORDER TRANSACTION DATA

3613: SHRI GAJANAN KIRTIKAR: SHRI BIDYUT BARAN MAHATO: SHRI SUDHEER GUPTA: SHRI SANJAY SADASHIV RAO MANDLIK:

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

- a) whether the Reserve Bank of India (RBI) has said/clarified that for cross border transaction data consisting of a foreign component, a copy of the domestic component may also be stored abroad, if required and if so, the details along with the aims and objectives thereof;
- b) whether the RBI clarification will change the data localisation norms and if so, the details thereof;
- c) whether the RBI has asked payment system operators to store data released payment in India for transaction details and information pertaining to payment and settlement and if so, the details thereof; and
- d) the extent to which these regulations are likely to affect companies?

ANSWER

MINISTER OF STATE (FINANCE)

(SHRI ANURAG SINGH THAKUR)

(a) to (d): The Reserve Bank of India (RBI) issued a directive vide circular DPSS.CO.OD.No 2785 / 06.08.005/2017-18, dated April 06, 2018 on 'Storage of Payment System Data', advising all system providers to ensure that the entire data relating to payment systems operated by them is stored in a system only in India, within a period of six months. It further provided that for the foreign leg of the transaction, if any, the data can also be stored in the foreign country, if required. RBI, vide FAQs issued on June 26, 2019 have clarified that for cross border transaction data, consisting of a foreign component and a domestic component, a copy of the domestic component may also be stored abroad, if required. In case the processing is done abroad, the data should be deleted from systems abroad and brought back to India not later than 24 hours from payment processing or 1 business day, whichever is earlier. However, there is no change in the data localization norms issued by RBI on April 06, 2018 on 'Storage of Payment System Data'.

The directions are applicable to all authorised / approved payment system providers, banks operating in India and also in respect of transactions through system participants, service providers, intermediaries, payment gateways, third party vendors and other entities in the payments ecosystem, who are retained or engaged by the authorised / approved entities for providing payment services. The responsibility to ensure compliance with the provisions of these directions would be on the authorised / approved PSOs.
