

Payments Vision 2028

Preparing to shape
India's payment frontier
June 2026

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Highlights

- 01 Payments Vision 2028 shifts focus from expansion to **trust, resilience and future-ready growth**, reflecting the maturity of India's digital payments ecosystem
- 02 **Interoperability across accounts, cards and platforms** could reduce switching frictions, intensifying competition while weakening traditional lock-in models
- 03 **Cross-border payments** present growth opportunities through simpler approvals and lower friction for businesses and MSMEs, though delivery may require coordinated ecosystem change
- 04 **Data and AI** may act as key enablers for smarter risk management and innovation, alongside higher expectations on data governance, sharing and compliance
- 05 **Banks:** Greater scope to differentiate through service quality and customer experience to retain clients, alongside the need for increased technology investment to manage higher compliance and liability exposure
- 06 **FinTechs:** Clearer regulatory pathways and sandbox-led innovation could support growth, while potential rising compliance requirements and tighter sponsor-bank oversight could increase operating costs
- 07 **Payment networks:** Scope to evolve into value-added providers of resilience, risk and intelligence services, while interoperable models could lower pricing power and diminish exclusivity

Disclaimer:

This reflects our interpretation of publicly available RBI policy documents and ecosystem developments. It represents a forward looking point of view and does not constitute regulatory guidance or prediction of specific policy outcomes.

Executive summary

Shaping India's payment frontier

The RBI's Payments Vision 2028 marks the next phase in India's digital payments journey. As digital payments reach widespread adoption across consumers and businesses, the focus shifts from expansion to trust, resilience, accountability and future-ready growth, reflecting the maturity of the ecosystem.

Payments Vision 2025 focused on expanding reach, strengthening resilience and promoting globalization, with meaningful progress achieved in areas such as security and authentication. However, challenges around seamless cross-border payments, fraud accountability and large-scale interoperability remain unresolved. Payments Vision 2028 seeks to address these gaps and reposition India from a leader in payment volumes to a leader in payment system design, standards and global payment innovation.

Overall, there is an emphasis on stronger user protection, ease of doing business, system stability and innovation, in recognition of trust and reliability being as critical as speed and scale for sustained growth.

Three priorities stand out in Payments Vision 2028.

First, the Vision seeks to make India's payments ecosystem future-ready by building long-term capability through payments research, training and smarter use of data. A key focus is the shift toward AI-led and data-driven oversight, including AI-queriable payments databases, to improve risk monitoring, fraud detection and policymaking.

Second, cross-border payments appear as a strategic priority, with proposed simplification of authorizations – potentially through a single-window approach – along with a comprehensive ecosystem review. Regular reporting on global developments and India's positioning is expected to improve transparency and outcomes for exporters, businesses and MSMEs.

Third, the Vision aims to provide a stronger boost to businesses and MSMEs, particularly in the B2B payments space. Proposals such as a uniform Domestic Legal Entity Identifier

(DLEI) and full interoperability across Trade Receivables Discounting System (TReDS) platforms are intended to improve traceability, expand access to credit and enable more competitive financing for small and medium enterprises. In addition, the introduction and scaling of electronic cheques could further accelerate digital adoption if they offer sellers security and certainty comparable to that of physical cheques.

Payments Vision 2028 also has meaningful implications for ecosystem participants. Banks are likely to face intensified competition as initiatives such as the Payments Switching Service (PaSS) reduce structural switching frictions. Retention could increasingly depend on service quality, customer experience and differentiated propositions. At the same time, banks may need to invest more in technology to support real-time controls, interoperability and enhanced risk management, while managing higher compliance and liability exposure.

For FinTechs, clearer regulatory pathways and sandbox-led innovation create opportunities for growth and experimentation. However, rising compliance requirements and closer sponsor-bank oversight may increase operating costs, encouraging more robust and sustainable business models.

For payment networks, especially card networks, greater interoperability could reduce exclusivity and pricing power. At the same time, it creates opportunities to evolve into value-added providers focused on resilience, fraud and risk intelligence and data-driven services.

Overall, Payments Vision 2028 signals a move beyond scale toward trust-centered, interoperable and intelligence-led payments, positioning India to define the next phase of global digital payments.



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Payments Vision 2025:

A retrospective assessment

In retrospect, the RBI's Payments Vision 2025 largely delivered on scale, resilience and governance of digital payments, while some of the most complex goals – global interoperability, fraud recovery automation and universal usability – progressed meaningfully but remained works in transition. Alternative authentication framework, Master Direction on Payment Aggregators and near real-time Cheque Truncation Systems are some key outcomes delivered under this Vision.



Table 1: Payments Vision 2025 initiatives achieved versus those partially achieved by pillars

Pillar	Achieved initiatives	Partially achieved initiatives
Pillar I: Integrity	<ul style="list-style-type: none"> ▪ Alternate authentication: Mandated risk-based 2FA by 1 April 2026, phasing out reliance on static SMS OTPs. ▪ Broaden LEI: Expanded to cross-border FEMA transactions over INR50 crore and forex over US\$1million. ▪ Offline transit cards: Reached via NCMC stored-value cards (e.g., for offline taps up to INR500). ▪ Enhance Central Payments Fraud Information Registry (CPFIR): Upgraded via the new Indian Digital Payment Intelligence Corporation (IDPIC) and deployment of 'MuleHunter.AI' across 26 banks. ▪ Payee name look-up: Mandated for RTGS/NEFT by April 2025, similar to UPI's positive confirmation and to prevent misdirected funds. ▪ PSO oversight: The RBI began onsite audits on large PSOs. 	<ul style="list-style-type: none"> ▪ Scalability and resilience: Central systems are 24x7, but the automated internal liquidity bridge is still evolving alongside manual liquidity injections. ▪ Leverage ODR: Centralized fraud reporting is active, but a seamless, cross-bank automated fund-freezing mechanism is still scaling. ▪ Principles for Financial Market Infrastructures (PFMI) assessment: The RBI conducts strict internal assessments for RTGS/NEFT but restricts full public disclosure due to national security. ▪ Local processing: Strict data localization is enforced, but absolute domestic processing remains a complex balancing act with global card networks. ▪ Digital Payments Protection Fund (DPPF) creation: Draft rules issued in March 2026 proposing compensation up to INR25,000 for victims of small-value digital frauds.



Pillar	Achieved initiatives	Partially achieved initiatives
Pillar II: Inclusion	<ul style="list-style-type: none"> ▪ Geo-tagging: Actively utilized to map payment deserts and deploy PIDF subsidies. ▪ PPI guidelines: Strict mandates halted the unchecked loading of prepaid wallets via credit lines. ▪ Regulate intermediaries: Brought under control as offline payment aggregators had to comply with the RBI's PA framework by Dec 2025. ▪ Market trading hours: Successfully extended call money to 7 PM and repo to 4 PM, leveraging 24x7 RTGS. ▪ Customer outreach: Scaled aggressively through localized e-BAAT campaigns. ▪ Payments Infrastructure Development Fund (PIDF) scope: Successfully expanded to cover urban Tier-I and Tier-II street vendors. ▪ Granular data: Consistently achieved via the RBI's Digital Payments Index (DPI) publication. ▪ Inclusive systems: Oct 2024 directives mandate standardized accessibility features for Persons with Disabilities (PwDs) across all digital interfaces. ▪ Evaluate charges: Aug 2022 discussion paper definitively resolved to keep core retail rails such as UPI free of merchant discount rates (MDR). 	<ul style="list-style-type: none"> ▪ CTS enhancements: Phase 1 continuous clearing is live, but Phase 2 (mandating 3-hour clearance) was indefinitely deferred in Dec 2025 due to legacy tech hurdles. ▪ Internal Ombudsman: Draft directions issued in Oct 2025 to expand the scheme to all PSOs, but pending final legal notification. ▪ Government digital receipts: Outward benefit transfers are fully digitized, but inward municipal/panchayat collections into e-Kuber remain fragmented.
Pillar III: Innovation	<ul style="list-style-type: none"> ▪ ISO 20022: RTGS and NEFT messaging architectures successfully modernized to the global XML-based standard. ▪ Credit cards on UPI: RuPay credit cards successfully integrated with UPI Virtual Payment Addresses. ▪ Online merchant payments: Bharat Connect (BBPS) expanded to handle interoperable net-banking, solving delays caused by fragmented bilateral agreements. ▪ Hackathons: The RBI regularly crowdsources innovations via the HARBINGER series. ▪ BNPL guidelines: November 2026 rules legally classify all BNPL instalments as formal consumer credit, neutralizing shadow-lending risks. 	<ul style="list-style-type: none"> ▪ Multiple payment identifiers: Payee look-up mitigates input errors, but total identifier reduction (like the proposed Payments Switching Service for seamless account portability) is still a draft concept for Vision 2028. ▪ IoT payments: While NPCI's 'UPI Circle' allows primary users to delegate payment limits to secondary IoT devices like smartwatches, however, a single and standalone IoT payments framework has not been issued.

Pillar	Achieved initiatives	Partially achieved initiatives
Pillar IV: Institutionalization	<ul style="list-style-type: none"> ▪ PSS Act review: Legislative amendments successfully modernized the 2007 act for a digital-first economy. ▪ Payments Advisory Council: Replaced by the highly empowered Payments Regulatory Board (PRB), which held its inaugural meeting in Jan 2026. ▪ International fora: Achieved through active G20, FSB and CPMI leadership to shape global cross-border policies. 	<ul style="list-style-type: none"> ▪ National Card Switch for PoS: Remains in exploratory phases; the RBI is assessing the complex infrastructure needed to emulate the ATM network's NFS to bypass foreign networks.
Pillar V: Internationalization	<ul style="list-style-type: none"> ▪ Global outreach: UPI successfully integrated in more than eight nations including France, UAE, Bhutan and Singapore ^{12, 13}. ▪ SFMS/INFINET expansion: Exported via the Global DPI Repository and MoUs signed with 23 countries to replicate the India Stack. ▪ 2FA for cross-border cards: Mandated by Oct 2026, forcing Indian issuers to validate overseas Card-Not-Present requests using domestic risk standards. 	<ul style="list-style-type: none"> ▪ INR in CLS: Trade invoicing data publication began in 2026, but inclusion in the Continuous Linked Settlement requires distant, massive capital account convertibility reforms. ▪ CBDC efficiencies: Retail e-Rupee reached six million users¹⁴, but since domestic retail is already efficient with UPI, focus is slowly pivoting to test wholesale cross-border CBDC settlements.





Evolution of Payments Vision from 2025 to 2028

● Evolution of core themes and vision:

- In the 2025 Vision, the core theme was "E-Payments for Everyone, Everywhere, Every time (4Es)," anchored by the five goalposts of Integrity, Inclusion, Innovation, Institutionalization and Internationalization. The primary goal was facilitating ubiquitous access and transitioning India toward a less-cash society.
- The new 2028 theme is "Shaping India's Payment Frontier," marking a shift from simply expanding reach to pioneering the future. The RBI notes that since digital payments have already made massive inroads across all population segments, the primary challenge is no longer just expansion, but deepening "trust" in the systems, reinforcing resilience and expanding globally.

● Shift in consumer protection and liability:

- In the 2025 Vision, consumer confidence was driven by establishing dispute resolution systems like the Central Payments Fraud Information Registry (CPFIR) and expanding Online Dispute Resolution (ODR). Liability generally rested on the issuer.
- A paradigm shift is now happening with the proposed "Shared Responsibility Framework". Recognizing the need for balanced accountability, both the customer's bank (issuer) and the beneficiary's bank would jointly bear the liability for unauthorized digital transactions, incentivizing robust fraud detection at both ends of a transfer. Additionally, the RBI plans to explore a "switch on and switch off" facility for all digital payment modes, extending a popular feature currently available only for cards.

● Technological advances (from foundational systems to AI):

Earlier, technology goals were heavily infrastructural, such as migrating all the RBI-operated payment messaging to the ISO 20022 standard, exploring IoT-based payments and implementing offline payment capabilities. But now, the ecosystem is moving toward an "AI-led and data-driven approach". The RBI views data and research as strategic assets and plans to create a rich, user-friendly payments database that can be queried through Artificial Intelligence (AI) channels to monitor efficiency and aid in data-driven innovation.

● Progression in cross-border payments:

- The focus in the last round was on the initial global outreach of domestic systems like UPI, RuPay and NEFT/RTGS, alongside exploring the inclusion of the Indian Rupee (INR) in the Continuous Linked Settlement (CLS).
- The approach for 2028 is highly structured and efficiency-driven. The RBI plans a comprehensive review of the cross-border ecosystem to remove regulatory and operational frictions, specifically to aid MSME exporters. Crucially, to promote the ease of doing business, the RBI is looking to examine introducing a "single-window application process" for cross-border payment authorization under both the PSS Act and FEMA.

● **Dynamic and tiered regulatory frameworks:**

- The regulatory approach in the 2025 Vision sought to bring significant intermediaries, such as offline payment aggregators and BigTech/FinTech players, under direct RBI regulation to standardize operations.
- Regulation becomes more adaptive and risk-calibrated in the 2028 Vision. The RBI proposes a "Perpetual Regulatory Sandbox" for a newly recognized class of "Small Payment System Providers" (SPSPs). This allows innovative solutions to operate without immediate and heavy authorization, bringing them under standard regulation only when they reach a critical scale. For existing non-bank Payment System Operators, a systematic "Cyber Key Risk Indicators (KRI) framework" could be implemented for continuous and data-driven IT supervision.

The RBI envisions highly advanced convenience mechanisms, most notably the "Payments Switching Service (PaSS)". This centralized service would allow customers to seamlessly migrate all incoming and outgoing payment instructions from one bank account to another (e.g., during bank mergers or switching banks) with minimal friction. Furthermore, the RBI plans to introduce full interoperability across TReDS platforms and explore the introduction of "electronic cheques".

● **Advanced market interoperability and convenience:**

Interoperability was mainly focused on establishing a National Card Switch for PoS terminals and expanding transit card interoperability in the 2025 Vision.

Payments Vision 2028

Anchored by the central theme of 'Shaping India's Payment Frontier', the Reserve Bank of India's Payments Vision 2028 provides a strategic roadmap for the next evolution of the country's digital financial ecosystem.

Building upon India's established position as a global leader in real-time transactions, the Vision emphasizes a dual imperative: reinforcing the resilience and inclusivity of existing infrastructure while expanding reach through future innovations across a global footprint. By championing an AI-led and data-driven approach, the framework prioritizes user empowerment, robust safeguards against fraud, frictionless cross-border payment mechanisms and a regulatory environment calibrated to promote the ease of doing business.

The 15 initiatives outlined in the Vision document can be viewed across three key themes around risk management and security, cross-border expansion and ease of doing business and innovation and interoperability.



Table 2: Payments Vision 2028 initiatives across three key themes

Theme 1: Security, risk management and regulatory expansion	Theme 2: Cross-border integration and ease of doing business	Theme 3: Systemic innovation, interoperability and user empowerment
<p>3.1 Facility for the remitter to enable or disable transactions on any digital payment mode through issuer channels.</p> <p>3.5 Introducing a Shared Responsibility Framework for limiting the liability of customers in digital transactions.</p> <p>3.9 Implementing a Cyber Key Risk Indicators (KRI) framework specifically for non-bank Payment System Operators (PSOs).</p> <p>3.10 Reviewing the design and security features of physical cheques and exploring the introduction of electronic cheques.</p> <p>3.14 Bringing entities playing a critical role in the payments ecosystem (like e-commerce marketplaces and AePS providers) within the direct regulatory ambit.</p> <p>3.15 Studying the feasibility of implementing a uniform Domestic Legal Entity Identifier (DLEI).</p>	<p>3.2 Publishing dedicated reports on cross-border payments covering domestic trends, global developments and strategic implications.</p> <p>3.3 Conducting a comprehensive review of the cross-border payments ecosystem to increase efficiency and streamline regulations.</p> <p>3.4 Streamlining cross-border payment authorization under the PSS Act, 2007, and FEMA, 1999, potentially via a single-window process.</p> <p>3.6 Exploring the case for recognizing Small Payment System Providers (SPSPs) under a perpetual regulatory sandbox structure.</p>	<p>3.7 Developing dedicated payments research and training capacity.</p> <p>3.8 Exploring a framework for full interoperability and innovation in the Trade Receivables Discounting System (TReDS).</p> <p>3.11 Facilitating enhanced access to payments data, potentially queryable through AI-based channels.</p> <p>3.12 Reimagining card payments in India to build an open and interoperable ecosystem.</p> <p>3.13 Exploring the feasibility of implementing a central 'Payments Switching Service' (PaSS) for seamless mandate migration.</p>

Key initiatives and their implications

1.1 ● Facility for the remitter to enable / disable transactions on any digital payment mode through issuer channels

The RBI envisions the creation of a system-wide, issuer-controlled “user permissions layer” which enables the remitter to enable/ disable transactions across any digital payment mode linked to their accounts. Customers can exercise greater control to mitigate fraud or the misuse of digital payments through UPI, IMPS, NEFT, RTGS, etc. which are driving the largest share of transaction volumes and throughput in India.

For UPI rails, India witnessed digital payment frauds worth INR805 crore¹ involving 10.64 lakh incidents till November 2025. A large proportion of digital frauds occur with technically valid customer authorization, induced through repeated small-value suspicious transactions. An example of such fraud is the Jump Deposit scam; wherein small amounts are credited using UPI to the victim's bank account with a hidden or pending request for a credit transaction. When the victim tries to check balance using their UPI PIN, the request is triggered, and the amount gets debited from the account. Successful implementation of this initiative can pave the way for additional usage controls for all digital payment methods on ecommerce and POS, domestic and international transactions, etc.

In a similar initiative, the Monetary Authority of Singapore (MAS) mandated a self-service “Kill Switch”² for all major banks (e.g., OCBC, DBS, Citi) and e-wallet providers. It instantly suspends all digital banking access, mobile payments, automated clearing and card transactions via the app or automated hotlines if a user suspects their device is compromised.

Impact on banks: Significant infrastructure and front-end upgrades are needed to support real-time toggling across all payment channels.

Impact on FinTechs: TPAPs (Third-Party App Providers) may need to redesign user interfaces to surface these toggles and gracefully handle transaction errors when a user has a specific mode disabled.

Impact on payment networks: Transaction processing flows may require identifying dynamically changing user-level permissions without slowing down systemic throughput. This presents an opportunity for non-card networks to provide issuer-side APIs to support these requirements.

1.2 ● Reports on cross-border payments: Domestic trends, global developments and strategic implications for India's payment ecosystem

The RBI envisions a standing and authoritative knowledge framework on cross-border payments, wherein the RBI may periodically publish structured reports that could potentially cover:

- **India's cross-border payment landscape across key metrics such as volume, cost, transparency, speed and performance for the following:**
 - Remittances
 - Trade payments
 - Travel and education-related transfers
 - Other relevant transfer categories
- **Tracking and analyzing global developments, including:**
 - New payment rails (CBDCs, bilateral linkages, stablecoins)
 - G20 cross-border payment targets (cost, speed, transparency)
- **Assessing strategic implications for India, such as:**
 - Competitiveness of Indian exporters
 - Rupee internationalization
 - India's positioning as a global payment hub

In effect, the RBI is institutionalizing cross-border payments intelligence as a policy instrument, not just a research output. The initiative marks a shift towards actively shaping India's role in global payment flows.

The Committee on Payments and Market Infrastructures (CPMI)³ and the World Bank publish extensive cross-border payment monitoring reports. They utilize data from enterprise surveys and payment system operators to track the G20 Roadmap goals (e.g., reducing retail remittance costs below 3% by 2030).

Impact on banks: Banks may gain access to the RBI's market intelligence to optimize their forex and remittance corridor strategies.

Impact on FinTechs: Remittance startups can use this public data to identify and target the most expensive or inefficient global corridors.

Impact on payment networks: Remittance startups can use this public data to identify and target the most expensive or inefficient global corridors.



1.3 ● Review of the cross-border payments ecosystem with the objective of increasing the efficiency of cross-border payments

The RBI envisions a comprehensive, end-to-end review of the cross-border payments ecosystem, with the objective of making forex flows:

- **Faster:** Predictable and reduced settlement times
- **Cheaper:** Materially lower total cost of transfer
- **More transparent:** Clarity on fees, FX rates and timelines
- **More accessible:** Seamless for users across segments (retail, MSMEs, corporates)

The initiative could bring structural efficiency improvements across the entire value chain, from initiation to final settlement.

Globally, the closest analogy might be the Project Mandala⁴, spearheaded by the BIS Innovation Hub in collaboration with Southeast Asian central banks (like MAS), that explores reviewing and encoding jurisdiction specific compliance requirements into a peer-to-peer protocol utilizing Zero-Knowledge Proofs (ZKPs) and Multi-Party Computation (MPC) to automate cross-border compliance.

Impact on banks: Banks can expect changes in regulatory and compliance burdens for cross-border payments, including trade finance. This could allow them to offer faster forex services through modern API integrations.

Impact on FinTechs: Regulatory liberalization could allow FinTechs to build smoother cross-border payments and trade-finance platforms without traditional correspondent banking bottlenecks.

Impact on payment networks: Networks bridging domestic and international rails may need to rapidly innovate to support faster settlements, increased transparency and improved pricing structures.

1.4 ● Streamline cross-border payment authorization under PSS Act, 2007 and FEMA, 1999

The RBI envisions the creation of a simplified, harmonized and time-efficient authorization framework for cross-border payment activities, cutting across two currently distinct legal regimes:

- Payment and Settlement Systems Act, 2007 (PSS Act)
- Foreign Exchange Management Act, 1999 (FEMA)

The RBI is moving towards a "single-window-like" authorization and oversight which could offer:

- Single, coordinated regulatory engagement
- Clear demarcation of regulatory responsibilities as per underlying statutory mandates
- Predictable timelines for authorization
- Reduced duplication of information, approvals and ongoing compliance

In Singapore, the MAS utilizes streamlined online application portals within a "whole-of-government" framework (like the GoBusiness⁵ portal) that allows businesses to apply for multiple regulatory licenses simultaneously. Hong Kong has successfully deployed a Trade Single Window to streamline vast business-to-government documentation requirements.

Impact on banks: Banks acting as Authorized Dealer (AD) banks could experience faster onboarding of FinTech partners looking to route cross-border transactions.

Impact on FinTechs: A massive win for startups; reducing the legal friction and time-to-market required to launch international payment products that could help bring in innovative solutions for facilitating cross-border payments.

Impact on payment networks: Networks could benefit from a faster-growing ecosystem of participants authorized to process cross-border volumes. Networks could use this opportunity to drive cross-border B2B flows through new players as well. Additional network scope to build on transaction-based pricing (outbound) and authorization and clearing efficiency.



1.5 ● Limiting the liability of customers: Shared responsibility framework

At a strategic level, the RBI envisions a fundamental rebalancing of liability for unauthorized digital payment transactions toward a responsibility framework, wherein:

- Customers are not the default risk bearer for frauds beyond their reasonable control
- Liability for unauthorized transactions is equitably distributed between:
 - The remitter's bank / issuer and
 - The beneficiary's bank / acquiring institution.
- Each participant is held accountable for risks best controlled within their domain.

This represents a structural evolution in consumer protection, consistent with the Vision 2028 theme of user empowerment and trust deepening.

In a similar initiative, Singapore finalized a Shared Responsibility Framework (SRF)⁶ for phishing scams, legally apportioning liability among financial institutions, telcos and consumers based on predefined security duties (a "waterfall" logic). The UK operates a mandatory 50/50 reimbursement model for Authorized Push Payment (APP) fraud.

Impact on banks: Beneficiary banks face a massive shift; they might need to implement continuous transaction monitoring for incoming money to avoid financial liability, which may result in significant infrastructure and capability investment to manage these.

Impact on FinTechs: FinTechs providing payment aggregation or acquiring services could face heightened scrutiny from their sponsor banks, leading to stricter merchant onboarding.

Impact on payment networks: Networks may need to build on current dispute resolution and update liability distribution logic directly into their clearing and settlement architectures. There is potential for commercialization of fraud/ risk as a service.

1.6 ● Recognize Small Payment System Providers (SPSPs): A perpetual regulatory sandbox

The RBI envisions the creation of a new regulatory category and approach for small, niche and emerging payment system providers - one that balances innovation enablement with regulatory proportionality.

The desired end state is an ecosystem where:

- **Small Payment System Providers (SPSPs)** are formally recognized as legitimate and regulated participants.
- They operate under a **lighter, proportionate regulatory framework**, commensurate with their scale, risk profile and limited systemic footprint.
- They are allowed to **innovate and operate continuously** within well defined guardrails – hence the concept of a **Perpetual Regulatory Sandbox**.

In essence, the RBI is seeking to move away from a binary choice between (1) Full scale PSS authorization and (2) Short duration, experimentation only sandboxes; towards a graduated, lifecycle aware regulatory model with tailored activities-based oversight.

Impact on banks: Banks could see an influx of micro-FinTechs seeking sponsor relationships and may need to carefully manage their API risk exposure. However, it could also open an expanded pool of compliant FinTech partners to incubate innovations, outsource niche functionalities and pilot new models with lower risk.

Impact on FinTechs: Unprecedented agility. Startups can test and iterate in the real market without waiting months for licensing or face the uncertainty of a sudden shutdown due to regulatory non fitment.

Impact on payment networks: Networks may need to develop tiered onboarding architectures to safely route transactions for these micro-players. There could be increased competition from niche payment solutions and disruptive alternative rails vying for an increase in merchant acceptance. There is a potential source of innovation partnerships/acquisition targets with SPSPs.



1.7 ● Develop payment research and training capacity

At a strategic level, the RBI envisions the creation of a dedicated, future-ready payments research and capability-building ecosystem, embedded both within the RBI and across the broader payments sector. The initiative could elevate payments from a transaction-processing discipline to a research-led public infrastructure domain, comparable to monetary economics or financial stability.

A similar global example would be the BIS operating regional innovation hubs (including the Nordic and Singapore centers) that conduct cutting-edge research alongside central banks into areas like privacy enhancing technologies, central bank digital currencies and AI-driven anti-money laundering frameworks.

Impact on banks: Access to centralized training resources to upskill the workforce in global payment trends.

Impact on FinTechs: Deep-tech FinTechs can collaborate with the RBI on research, aligning innovations with macro goals.

Impact on payment networks: Networks could participate in knowledge exchange to help set global interoperability standards.

1.8 ● Framework for interoperability and innovation in TReDS

At a strategic level, this requires linking previously isolated invoice-discounting platforms and involves establishing a central electronic registry or using distributed ledger technology.

The desired end state is one where MSMEs can register once, access multiple financiers and buyers across TReDS platforms and receive competitive pricing without platform lock in. Financiers can seamlessly discover receivables across platforms, compete on price, speed and service quality and platforms shift from being closed marketplaces to open and interoperable infrastructure nodes.

The RBI explicitly connects interoperability with product innovation, expanded MSME coverage (including exports) and new financing constructs (e.g., factoring with recourse).

A similar global example would be Singapore's Trade Finance Registry (TFR) which uses a secure, interoperable platform connecting data aggregators and carriers to prevent duplicate financing and verify the genuineness of bills.

Impact on banks: Banks (financiers) can access and bid on invoices across a unified national ecosystem, vastly increasing their lending portfolios.

Impact on FinTechs: TReDS platforms might lose captive audiences and may need to compete purely on UX, processing speed and pricing via interoperable APIs. For some operating as MSME aggregator platforms or marketplaces, they may need to integrate with TReDS to provide additional lending options to participants on the platform.

Impact on payment networks: A central network entity might probably need to be created to route bidding and settlement data securely between platforms.



1.9 ● Cyber Key Risk Indicators (KRI) framework for non-bank Payment System Operators (PSOs)

The RBI is moving cyber oversight from binary compliance checks to continuous risk intelligence. Non-bank entities (like card networks, payment gateways) may be required to share/transmit critical security metrics – statistics on blocked malware attacks, unpatched server vulnerabilities, API latency, etc. – to the central bank. Vision 2028 explicitly repositions cyber risk as a first-order systemic risk, especially in high-volume, real-time payment systems and ecosystems dominated by non-bank, technology-led operators. This practice is already present for banks and NBFCs in the country.

Based on guidelines from the CPMI and the Financial Stability Board, Singapore's MAS also enforces a similar strict Notice on Cyber Hygiene and Technology Risk Management (TRM) guidelines⁷, requiring financial institutions and PSOs to maintain and report on rigorous IT security controls and access logs continuously.

Impact on banks: Banks could benefit from a safer ecosystem where their non-bank partners are held to measurable and continuous security standards.

Impact on FinTechs: Non-bank PSOs (PPI issuers, payment aggregators, etc.) could face high compliance burdens, requiring heavy investment in automated DevSecOps pipelines and compliance reporting tools.

Impact on payment networks: Non-bank network operators could be directly subject to this continuous API-driven oversight. It may be required to formalize and quantify cyber risk metrics with continuous internal monitoring rather than episodic assessments. There could be increased scrutiny on system aspects like uptime/downtime, breach frequency, incident response, etc. with increased cost of compliance owing to the need for enhanced monitoring tools and reporting pipelines.

1.10 ● Review of the design and security features of cheques and explore the introduction of electronic cheques

The RBI envisages a comprehensive reassessment of the design and security features of cheques, covering layouts, mandatory and optional security markers and enabling alignment with modern fraud patterns. The initiative also explicitly explores the feasibility of introducing electronic cheques, a purely digital cryptographic instrument which would be a secure document containing the transaction details. It is sealed with a digital signature using Public Key Infrastructure (PKI), which prevents alteration. The payee receives this file and uploads it to a centralized clearing portal (operated by the central bank), which verifies the signature and credits the account without any paper ever changing hands.

The Hong Kong Monetary Authority (HKMA) successfully deployed the e-Cheque⁸ system. It utilizes PKI technology for digital signatures on PDF cheques to prevent tampering, and deposits are centrally managed via the HKICL's e Cheque Drop Box service to act as a single source of truth to prevent multiple deposit frauds.

Impact on banks: Banks may need to build origination, signing and clearing workflows for native digital cheque instruments within their corporate and retail portals.

Impact on FinTechs: FinTechs may need to configure electronic cheque acceptance in their B2B payment flows. This could open a new B2B product avenue for spend management and reconciliation of electronic cheques.

Impact on payment networks: CTS may need a foundational architectural upgrade to process cryptographic e-cheques alongside legacy paper workflows.

1.11 ● Facilitate enhanced access to payment data

The initiative envisages the migration of massive volumes of historical and real-time payment data into a highly structured and scalable data lake. The RBI could deploy AI-based advanced query engines to enable natural language queries, leveraging the data lake to generate intelligent reports supplemented with infographics and system indicators. This would cover not just domestic payments but also a unified view of cross-border payments across the ecosystem.

Project Hertha⁹ and Project Aurora of BIS demonstrate how central banks can use state-of-the-art AI, graph neural networks, and privacy-enhancing technologies to analyze massive synthetic datasets of payment transactions to map and detect complex money laundering networks in real time.

Impact on banks: Banks can leverage macro-data insights to build more accurate predictive models for liquidity and economic forecasting. Banks would also need to cater to reporting such issuing/ acquiring data at their end, and to update and validate such national payment databases.

Impact on FinTechs: FinTechs may be able to train their own AI models on rich, ecosystem-wide datasets, allowing for hyper-personalized products. Cross-border payment operators may also be able to contribute and utilize the data for data-driven innovation in this space.

Impact on payment networks: Networks could be the primary data feeders, requiring standardized API pipelines to stream data to the RBI's AI database. Networks' proprietary transaction insights would be partially commoditized.

1.12 ● Reimagine card payments in India

The RBI could be looking to build on the current requirement, offering a choice of networks to expand this further to an open and interoperable card ecosystem across networks, with smart tokenization to empower cardholders and merchants with choice and foster competition. Through an interoperable ecosystem, tokens can be routed across various competing payment networks dynamically, reducing lock-in, lowering merchant routing costs and vastly improving security against data breaches.

Something interoperable at this scale and proposed capability across networks has limited precedence globally in cards. In China, for example, UnionPay is the core and dominant credit/debit card processing and clearing network for domestic credit and debit card transactions. Other networks have a limited presence and may need to operate under regulator-approved domestic clearing arrangements. The RBI initiative envisages going a step further to make card payment processing interoperable across networks.

Impact on banks: Banks may need to issue cards capable of running on multiple networks, forcing them to compete harder on rewards and creating attractive value propositions.

Impact on FinTechs: FinTechs could offer orchestration layers for merchants, dynamically choosing the cheapest network for each transaction.

Impact on payment networks: Highly disruptive to existing monopolies for both open-and-closed loop models. Global and domestic networks could be forced into intense and real-time competition for transaction volume. New scope for authorization and clearing, with an increased acceptance footprint. Additional scope to build tokenization and processing capabilities.



1.13 ● Payments Switching Service (PaSS)

The RBI envisions the creation of a Payments Switching Service (PaSS) that enables account-level portability and seamless migration of payment relationships with customers across banks and payment service providers. Customers currently face friction when migrating payment instructions (e.g., SIPs, subscriptions) after changing bank accounts. The RBI could explore a centralized PaSS to facilitate the seamless migration of all incoming and outgoing payment instructions from one account to another. This requires account portability infrastructure, along with a centralized registry of mandates. When a user switches accounts, the PaSS might need to automatically send webhook updates to every associated biller, mutual fund and employer, seamlessly updating the underlying account details in real-time without breaking active subscriptions.

The UK's Current Account Switch Service (CASS)¹⁰ is the current global gold standard for such an initiative. It guarantees the automatic transfer of all Direct Debits, standing orders and salary payments to a new bank within seven working days, with an automatic redirection facility maintained for a minimum of three years to enable orderly transitions.

Impact on banks: Switching costs could drop to zero, and customers could face near-zero operational friction. Banks may then face intense pressure on customer service, as users could port their entire financial life to a competitor instantly.

Impact on FinTechs: Subscription and wealth-tech platforms could benefit from fewer failed transactions, as user mandates auto-update.

Impact on payment networks: A central entity would have to build, secure and maintain this highly complex and real-time mandate migration switch. Possible builds for integration with new switching services may reduce customer stickiness within the network.

1.14 ● Bringing entities playing a critical role in the payments ecosystem within the regulatory ambit

In the last Vision document, bringing BigTech and FinTechs under more of a regulatory ambit was explored, though not achieved. In this Vision, more entities are considered for potential regulatory scrutiny. Due to rapid developments, e-commerce marketplaces, centralized platforms and white-label assisted payment providers (like AePS agents) are playing critical roles. The RBI is looking to examine bringing these entities under direct regulation to protect systemic integrity. Unregulated tech platforms may suddenly need enterprise-grade compliance architecture. This means implementing immutable audit trails, secure data localization environments and robust identity verification APIs to meet banking-grade regulatory standards. These entities may need to follow stringent consumer data encryption and implement strict, algorithmic-driven e-KYC checks. In addition, they may need to ensure continuous fund safeguarding, with user funds maintained in escrow accounts to mitigate risks from platform failure etc.

The EU's Payment Services Directive 3 (PSD3) explicitly regulates e-commerce platforms acting as agents, pulling them into the licensing regime to prevent fraud. Singapore's Payment Services Act imposes strict safeguarding and cyber hygiene rules on all major and standard payment institutions.

Impact on banks: Banks could gain some regulatory clarity on their liabilities when partnering with e-commerce giants or AePS agents if they also come under the regulatory ambit or further scrutiny.

Impact on FinTechs: Major e-commerce platforms and rural agent networks could face direct RBI compliance, increasing operational costs but legitimizing their systemic role.

Impact on payment networks: Networks facilitating AePS or e-commerce routing could interact with a broader base of directly regulated entities and standardized risk management. There may be stricter requirements in third-party risk management, partner due diligence, contractual controls and ongoing oversight.

1.15 ● Implementing a uniform Domestic Legal Entity Identifier (DLEI)

To manage financial system risks, a unique identifier is crucial for identifying non-individual parties to a transaction. The RBI is considering the feasibility of implementing a uniform DLEI to replace the current myriad of purpose-specific identifiers. A centralized and highly available DLEI database would be required to validate this identifier during transaction processing.

The Global Legal Entity Identifier Foundation (GLEIF) oversees the international ISO 17442 LEI standard¹¹. Jurisdictions such as China and Russia have aggressively pursued domestic LEI adoption, embedding these identifiers into their national financial standardization plans to monitor systemic corporate exposures.

Impact on banks: Corporate onboarding and core banking systems may need to be restructured to verify and attach the DLEI to every corporate payment instruction.

Impact on FinTechs: B2B payment gateways and corporate spend management platforms would need to update their APIs to mandate and pass DLEI fields in their transaction data.

Impact on payment networks: Payment networks would need to update their clearing systems to parse, validate and route DLEI tags.





Conclusion and way forward

To successfully navigate the RBI Payments Vision 2028, all ecosystem players may need to pivot toward sustainable and open-architecture innovation and embrace strategic "co-opetition."

Traditional banks may need to de-couple their core systems to support high-frequency API integrations, compete fiercely on customer experience, and forge strategic partnerships to monetize new B2B workflows like electronic cheques and interoperable TReDS.

Simultaneously, FinTechs may need to transition from a "growth-at-all-costs" mindset to one of institutional-grade compliance, focusing on deep-tech solutions such as building smart orchestration layers for open card networks, solving cross-border frictions and utilizing AI-queriable data for hyper-personalization. Network companies may need to dismantle walled-garden monopolies and redefine their value propositions around infrastructure resilience, sub-second authorization speeds and rich value-added services like anomaly detection.

Ultimately, realizing this bold Vision requires all stakeholders to cohesively adopt uniform standards, share threat intelligence and build the foundational consumer trust necessary to cement India's position as a global leader in digital payments.



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