

RBI to Allow Non-Banking Entities to Set Up ATMs

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Reserve Bank of India is set to allow non-banking entities to own and operate automated teller machines, or ATMs, in the country essentially for cash dispensation.

Known as white-labelled ATMs, or WLAs, these machines are operated by private service providers and not owned by banks. Customers of any bank can use the ATMs for a fee. RBI, in its draft guidelines issued on Tuesday, said non-banking entities with a minimum net worth of ₹100 crore can set up WLAs, to increase penetration of ATMs. It also clarified that only ATM cards issued by com-

mercial banks would be permitted to be used at the WLAs to start with. The Centre had mandated the RBI to allow non-banking entities to build ATMs in 2011.

There will be charges for all transactions at WLAs as against ATMs of one's own bank, where all transactions are free, and ATMs of other banks, where up to five transactions are free. WLAs will have to display the charges on the screen before a customer initiates a transaction. A WLA can have a sponsor bank — the bank that will oversee operations at the ATM. The sponsor bank will be responsible for cash management at such ATMs and facilitate redressal of customer grievances.