



## White Label ATM

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In order to enhance the viability of White Label ATMs (WLAs), the **RBI** has allowed White Label ATM Operators (WLAOs) to buy wholesale cash from the RBI and currency chests.

- This will provide the functionality to WLATMs, as they are cash-starved because the banks used to give preference to the ATMs deployed by them.
- Until now cash Management at the WLAs was the responsibility of the Sponsor Bank.
- By allowing WLAO to source cash directly from RBI, will encourage more WLATM to be opened across the country, thereby leading to deepening of financial inclusion

## White-Label ATMs

- Automated Teller Machines (ATMs) set up, owned and operated by non-bank entities are called "White Label ATMs" (WLAs).
- Non-bank entities incorporated in India under the Companies Act 1956 are allowed to operate WLAs.
- In September 2015, Government permitted Foreign Direct Investment (FDI), up to 100%, under the automatic route.
- Non-bank entities are permitted to set up WLAs in India, after obtaining authorisation from RBI under the Payment and Settlement Systems (PSS) Act 2007.
- Such non-bank entities should have a minimum net worth of Rs 100 crore.
- Tata Communications Payment Solutions Limited (TCPSL) was the first company authorized by the Reserve Bank of India (RBI) to open White Label ATMs in the country. It got launched under the brand name 'Indicash'.
- White Label ATMs are like normal ATM. However, cash deposit or cash acceptance facility is not permitted at the WLA. The difference is this ATM machine does not have any branding of Bank. These machines are usually deployed by **NBFC (Non-Banking Financial Institutions)**.
- The basic idea about White Label ATM is to increase the geographical spread of ATM to enhance financial inclusion.

## Brown Label ATM

- Brown Label ATM is based on the concept of sharing the cost.
- In Brown Label, ATM hardware is owned by the service provider, but cash management and network connectivity are provided by the sponsor bank. but the ATM machine contains Logo of sponsor bank.
- Brown Label ATM is a cost-effective solution for banks.

White label ATM	Brown Label ATM
When ATMs are owned and operated by non-bank entities but they are not doing 'outsourcing-contract' from a particular bank.	When banks outsourced the ATM operations to a third party.
The private company owns & operates the ATM machine, pays office rent. They negotiate with the landlord, electricity company, telecom company and so on.	Same
Sponsor bank provides the cash.	The bank (which has outsourced this work) provides cash for that ATM.
No. White label ATM doesn't have such logo. Not even of the sponsor bank.	ATM has logo of that bank (which has outsourced this work).
They've to compulsory open a few ATMs in (tier 3 to tier 6) areas.	No such compulsion.
RBI directly involved because these white label Companies have to separately get license/permission from RBI to run business.	RBI not involved directly. These outsourcing companies have contractual obligation with their respective banks.