



## RBI Regulates Card-Based Commercial Payments

**Source: IE**

Recently, the **Reserve Bank of India (RBI)** has directed Visa and Mastercard to stop card-based **business-to-business payments** routed through fintech firms.

- This only affects **business payments processed through specific third-party services** and does not impact other card transactions.
- A set of fintech firms in India currently operate in a category called **Business Payment Service Providers (BPSPs)** that enable businesses to use credit cards for payments to suppliers who do not accept cards directly.
  - The BPSP then transfers the funds to these suppliers using standard bank channels like **NEFT and RTGS**, acting as a third party. This is the focal point of regulatory scrutiny.
- This move aligns with the RBI's broader objective of ensuring regulatory compliance within the **fintech sector** and preventing fraudulent or unauthorised transactions in digital platforms.

**Read more:** [Payment and Settlement Systems in India](#)

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