



## **RBI consolidates and updates E-mandate framework for recurring digital payments**

The Reserve Bank of India, vide **Circular No. RBI/DPSS/2026-27/396 (RBI/CO.DPSS.POLC.No.S56/02.14.003/2026-27)** dated **April 21, 2026**, has issued the **“Digital Payments – E-mandate Framework, 2026”** under **Sections 10(2) read with Section 18 of the Payment and Settlement Systems Act, 2007**, consolidating all existing directions relating to e-mandates for recurring transactions. The framework applies to all Payment System Providers and Participants processing recurring transactions (domestic or cross-border) through cards, PPIs, and UPI, and is effective immediately.

### **Analysis**

- The framework introduces a **standardised regulatory structure** for registration, modification, and revocation of e-mandates, requiring **Additional Factor of Authentication (AFA)** at the time of registration and for any subsequent changes.
- Every e-mandate must specify a **validity period**, with customers having the ability to **modify or withdraw mandates at any time**, ensuring enhanced customer control.
- The Directions permit both **fixed and variable recurring payments**, with issuers required to allow customers to set **maximum transaction caps** in case of variable mandates.
- The **first transaction** under an e-mandate mandatorily requires AFA, while subsequent recurring transactions may be processed without AFA, subject to prescribed limits.
- A key safeguard is the requirement for **pre-transaction notification at least 24 hours prior to debit**, enabling customers to review and opt out of transactions, with such opt-out requiring AFA validation.
- **Post-transaction notifications** are mandatory and must include detailed transaction information along with grievance redressal mechanisms.
- The framework prescribes **transaction thresholds**:



- Up to **₹15,000 per transaction without AFA**
  - Up to **₹1,00,000 without AFA** for specified categories such as insurance premiums, mutual fund subscriptions, and credit card bill payments
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- Issuers are required to establish robust dispute resolution and grievance redressal systems, with RBI's customer liability framework continuing to apply.
  - Importantly, the Directions prohibit charging customers for availing e-mandate facilities and mandate compliance by acquirers for merchants onboarded by them.
  - The framework repeals multiple earlier circulars (2019–2024), thereby creating a single consolidated regime governing recurring digital payments.
  - The consolidation into a single framework will require Payment System Providers, issuers, and fintech participants to reconfigure their mandate management systems to ensure end-to-end compliance with AFA requirements, notification workflows, and transaction limits. Systems must be capable of triggering automated pre-transaction alerts (T-24 hours), handling real-time opt-out requests with authentication, and maintaining audit trails for mandate lifecycle events.
  - The revised thresholds may lead to **increased automation of recurring payments**, particularly for high-value categories such as insurance and credit card repayments, while simultaneously increasing **compliance burden on issuers to monitor transaction limits and exceptions**. Overall, the framework enhances **customer protection and transparency**, but necessitates **significant backend alignment across issuers, acquirers, and payment aggregators**.
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- **Key Takeaways**
    - RBI issues consolidated E-mandate Framework, 2026 for recurring digital payments
    - Circular No. RBI/DPSS/2026-27/396 dated April 21, 2026 issued under Sections 10(2) and 18 of the PSS Act, 2007
    - Mandatory AFA for registration, modification, and first transaction
    - Pre-transaction (24-hour prior) and post-transaction notifications made compulsory
    - ₹15,000 general limit and ₹1,00,000 for specified categories without AFA



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- No charges permitted for availing e-mandate facility
  - Earlier circulars repealed, creating a unified regulatory framework
- The notification is attached herein.

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