Card on-File Tokenization
(Debit/Credit and Prepaid Cards)

As per the RBI guidelines clear card number, CVV and Expiry date and any other sensitive information related to cards cannot be stored by merchants for processing online transactions from 1st January 2022.

1. What is tokenisation?

Tokenisation refers to replacement of actual or clear card details with an alternate code called the "token" used in online purchase. This shall be unique for a combination of card, token requestor and the merchant.

2. What is de-tokenisation?

Conversion of the token back to actual or clear card details is known as de-tokenisation.

3. Where will these tokens be used?

The tokenized card details shall be used in place of actual or clear card number for future online purchase opted by customers.

4. What is the benefit of tokenisation?

A tokenised card transaction is considered safer as the actual card details are not shared with the merchant during transaction processing.

5. How can the tokenisation be carried?

The card holder can get the card tokenised by initiating a request on the Website/app provided by the token requestor. The token requestor will forward the request directly to issuing bank or to the card network (Visa/Master/Rupay), with the consent of the card issuing bank. The party receiving the request from Token Requester, will issue a token corresponding to the combination of the card, the token requester and the merchant.

6. Is the tokenization guidelines applicable to both debit and credit cards?

Yes, starting from 01/01/2021 both Debit and Credit cards have to be tokenized for future online purchase as opted by customers.

7. What are the charges that the customer need to pay for availing this service?

The customer need not pay any charges for availing this service.

8. What will happen to the token once the customer's card gets replaced or renewed or reissued or upgraded?

The customer should again visit the merchant page and create a fresh token.

9. Are the customer card details safe after tokenisation?

Actual card data, token and other relevant details are stored in a secure mode by the authorised card networks. Token requestor cannot store Primary Account Number (PAN), i.e., card number, or any other card detail. Card networks are also mandated to get the token requestor certified for safety and security that conform to international best practices / globally accepted standards.

10. How does the process of registration for a tokenisation request work?

The registration for a tokenisation request is done only with explicit customer consent through Additional Factor of Authentication (AFA), and not by way of a forced / default / automatic selection of check box, radio button, etc. Customer will also be given choice of selecting the use case and setting-up of limits.

11. Will tokenisation have any impact on the POS transactions that the card holder does at merchant outlets?

No. Tokenisation is only required for carrying out the online transactions

12. Once tokenised, how will the customer see the card details on the merchant page?

The customer will see the last 4 digits of the card on the merchant page.

13. Is tokenisation of card mandatory for a customer?

No, a customer can choose whether or not to let his / her card tokenised.

14. Is there any limit on the number of cards that a customer can request for tokenisation?

A customer can request for tokenisation of any number of cards. For performing a transaction, the customer shall be free to use any of the cards registered with the token requestor app.

15. If the card holder is having 3 different cards, then is the card holder expected to create 3 different tokens at the same merchant.

Yes. As mentioned earlier, token must be unique for a combination of card and merchant.

16. Can the customer select which card to be used in case he / she has more than one card tokenised?

For performing any transaction, the customer shall be free to use any of the cards registered with the token requestor app.

17. Is the tokenization applicable for International Card on file transactions?

No, Tokenization is applicable only for domestic transactions.

18. Where can more information on RBI instructions on tokenisation be found?

The circular issued by RBI on tokenisation is available on the RBI website at the path https://www.rbi.org.in/scripts/FS_Notification.aspx?Id=11449&fn=9&Mode=0.