

NPCI/2023-24/RuPay/026

2<sup>nd</sup> January 2024

To,  
All Member Banks- RuPay

**Subject – RuPay Deferred Authorization solution for Credit card.**

Dear Sir/Madam,

RuPay is the first-of-its-kind domestic Card payment network of India, with wide acceptance at ATMs, POS devices and e-commerce websites. Deferred Authorization payment enables credit card purchases in offline scenarios like flights, cruises etc. In this transaction, the authorization process is deferred until the POS terminal reconnects back, to offer purchase of various products and services to enhance the consumer experience. All the validations of Card Present POS transactions shall be applicable for Deferred Authorized transactions. The relaxation in requirement of Additional Factor of Authentication (AFA) for Card transactions in Contactless mode shall be as per the RBI circular- RBI/2020-21/71 DPSS.CO.PD No.752/02.14.003/2020-21 dated 4<sup>th</sup> December, 2020.

**Key features:**

1. Issuer shall validate and respond to transactions, when the device reconnects back to the network and the transaction is sent to issuer for validation.
2. Acquirer shall equip the POS terminals for temporarily deferring authorization process during the initial purchase by securely storing the card data, and sending the transactions for validation post device coming in network.
3. Such merchants may offer products for purchase by use of POS terminals for card payments, and ensure completion of the transaction post device coming in network.

Please refer Annexure A for the detailed transaction process flow of the inflight use case of deferred authorization solution.

Your Sincerely,

SD/-

**Kunal Kalawatia**  
Chief of Products

## Annexure A

**Please find below processing flow of inflight use case for deferred authorization solution**

**Step 1: On-board Sales-** During the flight, airlines shall offer a selection of products and services for purchase, such as food and beverages, entertainment, Wi-Fi access, and more.

**Step 2: Card Payment Acceptance-** To facilitate these purchases airlines equip their flight attendants with portable POS terminal. These devices are capable of accepting credit card payments securely.

**Step 3: Card Processing-** When a passenger decides to make a purchase, the staff will present the POS terminal to the passenger, who can then insert or tap their credit or debit card to initiate the transaction.

**Step 4:** During the initial purchase process, the payment system will temporarily defer the authorization step. This will be done at terminal end by storing the Track2 and PIN data of the card which will further get stored in data base with Payment Card Industry Data Security Standard (PCI DSS & PCI PTS) recommended encryption method.

**Step 5: Post-Purchase Authorization-** once the flight gets landed and terminal comes in network connectivity the stored transaction will be sent to issuer for details validation and the response(approved/decline) will be provided to terminal operator.

**Step 6: Receipt & Completion of Payment-** The passenger receives a receipt for the transaction. Once the user successfully gets the transaction completion message from Issuer then the transaction will get completed.

**Step 7: Settlement-** There is no change in settlement process as the transaction will be settled by NPCI considering as a normal transaction. Regular chargeback rules are applied in this solution.

We request member banks to enable Deferred Authorization solution for RuPay customers by considering the below benefits to both customers and merchants:

- It provides a smoother and faster checkout experience, reducing the need to enter payment details for every purchase.

- This payment solutions by card offer convenience to passengers as they do not need to carry cash for on-board purchases.
- It also benefits by increasing on-board sales revenue and reducing the complexity of handling cash during flights, cruise etc.

Members shall raise PoS terminal certification request with NPCI for providing Deferred Authorization payment solution for RuPay cardholders considering as a Card Present (CP) POS, certified for PIN Security Requirement (PCI- PTS) with the capability for PIN and track2 data to be captured using DUKPT and storage encrypted using AES 256-bit key. The data storage shall be certified with PCI DSS for managing the card transaction data.

We request members to make a note of the above and disseminate the information to the concerned teams.

---