

## RBI Circular on Prevention of Financial Fraud

The Reserve Bank of India (RBI) notification on “Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards” (PFF Notification) released on January 17, 2025, aims to mitigate the risks involved in unsolicited commercial communications (UCC), especially in the financial sector, amid the surge in digital frauds and the proliferation of scams through customers’ personal mobile numbers. This PFF Notification not only compliments the existing Telecom Regulatory Authority of India (TRAI) regulations governing commercial communications, such as the Telecom Commercial Communications Customer Preference Regulations, 2018 (TCCCPR), but also specifically provides for compliance with the “Important Guidelines for sending commercial communication using telecom resources through Voice Calls or SMS” issued by TRAI on June 18, 2024 (Important Guidelines).

This Client Alert provides a high-level understanding of the compliance requirements under the PFF Notification.

### I) Implementation

The PFF Notification is applicable to all Commercial Banks (including Regional Rural Banks, Small Finance Banks, Payment Banks, and Local Area Banks), Primary (Urban) Co-operative Banks, State Co-operative Banks, District Central Co-operative Banks, Prepaid Payment Instrument Issuers, Non-Banking Financial Companies (including Housing Finance Companies), Credit Information Companies, Payment Aggregators, Payment Systems Participants and Payment System Providers (collectively referred to as REs). The REs must ensure compliance with the PFF Notification by March 31, 2025.



### II) Utilisation Of The Mobile Number Revocation List (Mnrl)<sup>1</sup>

The PFF Notification requires the REs to use the MNRL available on the Digital Intelligence Platform developed by Department of Telecommunications (DoT), Ministry of Communications, Government of India. The MNRL, a list of permanently disconnected mobile numbers published monthly on the Digital Intelligence Platform, allows agencies to clean up their database and/or seek updation from their customers. The various categories of disconnected numbers on the MNRL include mobile numbers (i) acquired on fake/forged documents and failed in re-verification, (ii) involved in cyber-crime/financial fraud and reported by MHA/Law Enforcement Agencies (LEA(s)), (iii) reported by citizens and failed in re-verification, (iv) disconnected by Telecom Service Providers

<sup>1</sup> PFF Notification, Paragraph 2(a).

(TSP(s)) based on their fraud analysis/exceeding limit, (v) reported for misuse by other organisations, and (vi) non recharge/non usage for long time, etc<sup>2</sup>. The MNRL was previously available on the MNRL portal; however, vide order dated November 20, 2024<sup>3</sup>, list publishing on the portal will cease with the publication of the MNRL for January 2025. The MNRL portal will remain operative until June 30, 2025, and the archived December 2019–January 2025 data will be available for downloading until June 30, 2025.

### III) Develop Own Standard Operating Procedures (Sop(S))

The PFF Notification requires REs to develop their own SOPs to operationalise enhanced fraud risk monitoring and prevention. The SOPs must include the following measures: (i) registered mobile number (RMN) updation after due verification and (ii) enhanced monitoring of accounts linked to these revoked mobile numbers to prevent the linked accounts from being operated as money mules and/or being involved in cyber frauds, etc. The RE can download the MNRL and check their customers' numbers against the MNRL to ensure compliance with these SOPs.

### IV) Sharing With Digital Intelligence Platform

The PFF Notification provides that the verified details of the customers must be shared with the Digital Intelligence platform developed by the DoT<sup>4</sup>, which will then publish these details on the "Sanchar Saathi" portal. The Sanchar Saathi portal is the DoT's citizen-centric initiative aiming to provide various services including "Chakshu", which facilitates reporting of suspected fraud communication such as KYC deactivation, impersonation, etc. and UCC or spams<sup>5</sup>.

### V) Voice Call Requirements

The PFF Notification mandates that REs must use the "160xx" numbering series to make transactional or service calls and the "140xx" numbering series to make promotional voice calls. They must also create

adequate customer awareness in this regard through emails, SMS, and other modes, including in vernacular languages<sup>6</sup>.

### VI) Adherence To Trai Regulations

The PFF Notification mandates adherence to Important Guidelines provided under the Annex to the PFF Notification<sup>7</sup>. These regulatory requirements are applicable to "Principal Entities" (PE(s)) or "Senders"<sup>8</sup> of Commercial Communication<sup>9</sup>, including Banks, Mutual Funds, Insurance Companies, Mutual funds, Stockbrokers, other Financial Institutions, Corporates, Enterprises, SMEs, big and small businesses, and any entity wishing to send commercial communication to its existing or prospective customers. These entities can only send commercial communication either by engaging a "Registered Telemarketers" (RTM(s)) or by establishing direct connectivity with the TSP for this purpose<sup>10</sup>. Please see the details of the regulatory requirements in the **Annexure** below. Kindly note that the compliance requirements hereunder are not exhaustive, and the REs must refer to the relevant regulations/directions and Access Provider's Codes of Practice (CoPs) for further compliance.

### VII) Use Of Digital Consent Acquisition (Dca)

Vide notification dated June 02, 2023, TRAI issued the "Directions regarding Implementation of Digital Consent Acquisition under TCCPR, 2018" (DCA Directions). The DCA facility intends to create a unified platform to register customer consent across all services providers and Pes<sup>12</sup>. The intent of the DCA Directions is to bridge the information asymmetry between consent obtained by PEs such as banks and other financial institutions and the "access providers"/TSPs. It is important to note that the DCA Directions imposed obligations only on TSPs, which were eventually contractually imposed on businesses intending to send promotional messages. Through the Important Guidelines, TRAI has explicitly restricted any other form of consent acquisition other than through the DCA<sup>13</sup>. The PEs/Senders must onboard

<sup>2</sup> PFF Notification, Paragraph 2(a).

<sup>3</sup> The order is available [here](#).

<sup>4</sup> PFF Notification, Paragraph 2(b).

<sup>5</sup> The services provided through Sachar Saathi are available [here](#).

<sup>6</sup> PFF Notification, Paragraph 2(c).

<sup>7</sup> PFF Notification, Paragraph 2(c).

<sup>8</sup> TCCPR 2018, Regulation 2(bf).

<sup>9</sup> TCCPR, Regulation 2(i).

<sup>10</sup> Important Guidelines, Paragraph A(e).

<sup>11</sup> Important Guidelines, Paragraph B.

<sup>12</sup> The press release in this respect is available [here](#).

<sup>13</sup> Important Guidelines, Paragraph B(b).

the DCA system deployed by access providers/TSPs for the acquisition of customers' digital consent for integration with their systems/processes<sup>14</sup>.

## VIII) Confidentiality And Security Of Data<sup>15</sup>

- 1) **Primary responsibility:** The Important Guidelines places primary responsibility on the PEs/Senders for maintaining the confidentiality and security of their customers' data/information, prevention of misuse/leakage. This includes taking corrective/remedial measures if any person, authorised by them (or otherwise), to handle such data/information (i.e., RTMs engaged by such PEs/Senders and their employees, agents, representatives, associates, etc.) misuses/leaks such data/information<sup>16</sup>. The PE/Sender will be responsible for such misuse/leakage and have the onus of reporting to the LEAs and taking appropriate action against the miscreant RTM.
- 2) **Preferably no RTMs:** PE/Senders that are Banks, Mutual Funds, Insurance Companies, and other Financial Institutions preferably must have direct connectivity with the access providers instead of engaging an RTM in the communication chain<sup>17</sup>. In any case, they should not have more than two aggregator RTMs<sup>18</sup>.
- 3) **Ensuring SMS message traceability:** As part of the framework to ensure SMS traceability for secure messages, all PEs are required to declare and register their message transmission paths through DLT. The Important Guidelines reiterate this requirement<sup>19</sup>. As of December 11, 2024, all SMS traffic through unregistered paths will be rejected<sup>20</sup>.
- 4) **Contractual safeguards:** The Senders must incorporate appropriate contractual safeguards in their agreements with RTMs, as a deterrent against the misuse/leakage of Headers, Content Templates, Customer Data, etc. by the RTMs.



- 5) **Reporting requirement:** The Senders must disable unregistered Headers/Templates temporarily and report to “LEAs”/“Agencies dealing with Cybercrime”, in case of misuse/leakage of Headers, Content Templates, customer data, etc., as it may lead to frauds in the name of the Sender/PE.

## Annexure

The following are the regulatory requirements under the Important Guidelines:

- 1) **Registration on DLT<sup>21</sup>:** The TRAI has adopted the “Distributed Ledger Technology” (DLT) as “RegTech” to form the core of the entire framework on “unsolicited commercial communication”<sup>22</sup>. The Important Guidelines mandate registration as a “PE” on the DLT platform with the relevant TSPs to send any commercial communication through voice calls or messages using telecommunication services.
- 2) **Use of “140/ 160” numbering series<sup>23</sup>:** For making commercial voice calls, the Important Guidelines require Senders to use only the “140/160” numbering series (or any other numbering series allocated/assigned by DoT/TRAI in future for the purpose).

<sup>14</sup> Important Guidelines, Paragraph B(c).

<sup>15</sup> Important Guidelines, Paragraph C.

<sup>16</sup> Important Guidelines, Paragraph C(a).

<sup>17</sup> Important Guidelines, Paragraph C(d).

<sup>18</sup> Important Guidelines, Paragraph C(c).

<sup>19</sup> Important Guidelines, Paragraph C(e).

<sup>20</sup> The press release in this respect is available [here](#).

<sup>21</sup> Important Guidelines, Paragraph A(a).

<sup>22</sup> TCCPR, Explanatory Memorandum, Para 9.6.

<sup>23</sup> Important Guidelines, Paragraph A(b).

- a) The “140” numbering series must be used only for promotional voice calls<sup>24</sup> to existing and prospective customers. The allocation and operations of these numbering series is being migrated to DLT and, accordingly, all existing PEs are required to register their details on their respective TSPs’ portal<sup>25</sup>.
  - b) The “160” numbering series must be used only for transactional and service calls to existing customers<sup>26</sup>. These numbers are assigned through the DLT platform of the respective TSP and are allocated upon request to the respective TSP<sup>27</sup>.
  - c) **Restrictions:** Mixing of promotional/upsell/cross-sell/offer-related communication (140 number series) with transactional or service calls (160 number series) is not allowed<sup>28</sup>. The Senders must not use any other 10-digit fixed line/mobile number for making promotional/service/transactional voice calls to their customers, either directly or through their employees or channel partners, DSAs, BPO partner, in-house or outsourced call centre, etc<sup>29</sup>. For any contravention, the PEs’/Senders’ telecom resources will be disconnected for up to 2 (two) years<sup>30</sup> and it would be blacklisted for that period. No TSP will provide any new telecom resource to such PEs/Senders. them.
- 3) **Registration of “Header”:**
- a) **Voice headers**<sup>31</sup>: The PE/Sender must register their Voice Headers (i.e., indicators in the 140 and 160 series) with the respective TSP and send the commercial communications through voice to the customers using the registered Voice Headers only. The TRAI website publishes the registration link for “headers” on the respective DLT platforms of the TSP players in the market<sup>32</sup>.
  - b) **SMS Headers**<sup>33</sup>: The PE/Sender can send SMS messages only through assigned “headers”. For this, the PE/Sender must register their SMS Headers with the respective TSP and send the commercial communications through SMS to the customers using the registered SMS Headers only.
  - c) **Violations:** Stringent provisions similar to violations related to the use of 140/160 series will apply against PEs/Senders using an unregistered Header/Content Template. Misuse of any PE’s header to send unintended communication may lead to the PE’s temporary suspension until it reports the incident to the LEA concerned and takes corrective action according to the regulations<sup>34</sup>.
- 4) **Registration of “Content Templates”**<sup>35</sup>: The PEs/Senders must register its message content templates with the respective TSP as well. The TCCPR 2018 defines “Content Template for Transaction”<sup>36</sup> and “Content Template for Promotion”<sup>37</sup>.
- 5) **Measures to curb misuse of Headers and Templates:** Under the “Directives to Access Providers regarding measures to curb misuse of Headers and Content Templates Telecom Commercial Communications Customer Preference Regulations, 2018” dated August 20, 2024<sup>38</sup>, TRAI had mandated measures for access providers. The Important Guidelines specify the following additional compliances that the Sender/PEs must take to prevent misuse of Headers and Content Templates:
- a) Register only the minimum required number of Headers and Content Templates. The Sender/PE will review and re-verify, on a periodical basis, all the Headers and Content Templates that they registered and surrender/close unused Headers and Content Templates<sup>39</sup>.

<sup>24</sup> Important Guidelines, Paragraph A(b)(2).

<sup>25</sup> Important Guidelines, Paragraph A(b)(3).

<sup>26</sup> Important Guidelines, Paragraph A(b)(4).

<sup>27</sup> Important Guidelines, Paragraph A(b)(4).

<sup>28</sup> Important Guidelines, Paragraph A(b)(4).

<sup>29</sup> Important Guidelines, Paragraph A(b)(7).

<sup>30</sup> Important Guidelines, Paragraph E.

<sup>31</sup> Important Guidelines, Paragraph A(b)(6).

<sup>32</sup> The link to register ‘header’ is available [here](#).

<sup>33</sup> Important Guidelines, Paragraph A(c).

<sup>34</sup> Important Guidelines, Paragraph E.

<sup>35</sup> Important Guidelines, Paragraph A(d).

<sup>36</sup> TCCPR 2018, Regulation 2(q).

<sup>37</sup> TCCPR 2018, Regulation 2(r).

<sup>38</sup> The press release in this respect is available [here](#).

<sup>39</sup> Important Guidelines, Paragraph D(a).

- b) To avoid any chances of misuse, the PE/Sender may keep in temporarily blocked conditions the Headers that are unlikely to be used frequently<sup>40</sup>. At the time of registration, every Header must be classified as “temporary” or “permanent”, as the case may be. All “Temporary” Headers will be deactivated after the expiration of the time duration for which the “Temporary” Header was registered<sup>41</sup>.
  - c) Minimum variable parts must be used in Content Templates to prevent misuse<sup>42</sup>. “Pre-tagging” must be applied to the variable parts for its intended purpose, and no other information must be used in such defined pre-tags<sup>43</sup>.
  - d) Only whitelisted URLs/APKs (Applications)/OTT links/Call-back numbers must be used in the message Content Templates<sup>44</sup>.
  - e) URLs used must indicate relation to the Sender, i.e., should contain Sender entity’s extension.
- 6) Creating Awareness among customers: Senders/PEs are required to take the following steps to create awareness among customers, in local languages as well:
    - a) Inform customers of the DND Registration process to help prevent inconvenience caused by UCCs<sup>45</sup>.
    - b) Widely publicise their respective 160 series for transactional/service calls to prevent customer confusion and fear<sup>46</sup>.
    - c) Inform customers of the complaint registration process<sup>47</sup>.

<sup>40</sup> Important Guidelines, Paragraph D(a).

<sup>41</sup> Important Guidelines, Paragraph D(b).

<sup>42</sup> Important Guidelines, Paragraph D(c).

<sup>44</sup> Important Guidelines, Paragraph D(e).

<sup>45</sup> Important Guidelines, Paragraph F(a).

<sup>46</sup> Important Guidelines, Paragraph F(b).

<sup>47</sup> Important Guidelines, Paragraph F(c).

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