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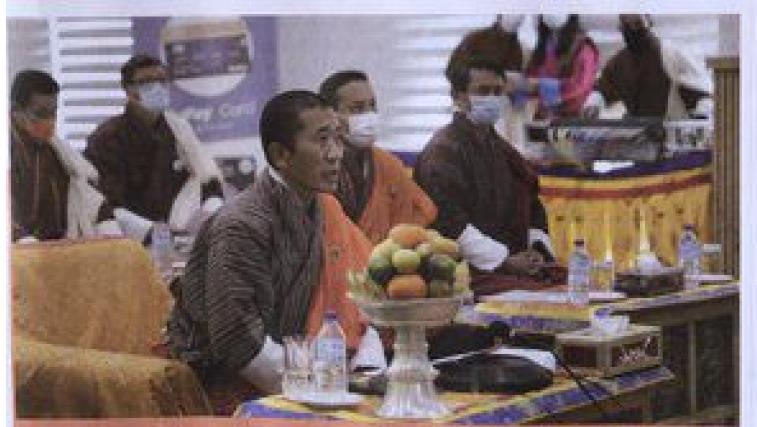
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Prime Minister Dr Lotay Tshering and Indian Prime Minister Shri Narendra Modi faunched the phase two of Ruffay Card at a virtual coremony yesterday.

Launch of RuPay Phase II: Issuance of RuPay Card

ECONOMY

By Tenzin Lhamo in Thimphu

Prime Minister Dr Lotay Tshering and Indian Prime Minister Shri Narendra Modi jointly e-launched the Phase II of RuPay Card on 20 November, 2020.

The Phase I of the RuPay Card was launched during the state visit of Shri Modi to Bhutan in 17 August, 2019. The implementation of Phase I of RuPay Card in Bhutan has enabled visitors from India to access ATMs and Point of Sales (PoS) terminals across Bhutan. Since the launching of the Phase I of the RuPay Card, a total of about 10,428 successful transactions amounting to 36.52 million INR have been made.

The RuPay Card scheme which is more affordable than other international card schemes is a cross border payment initiative between the two countries which is aimed at promoting the use of low-cost digital payment solutions and advance digital financial inclusion.

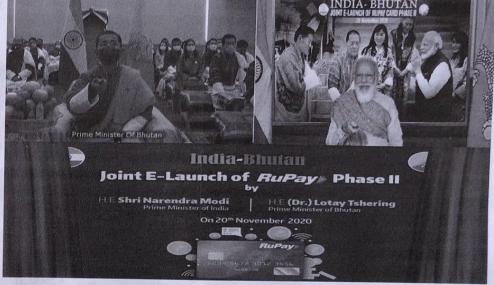
The launch was made possible by the interconnectivity of the Bhutan Financial Switch (BFS) with India's National Financial Switch (NFS) which is operated by the National Payment Corporation of India (NPCI).

According to a press release from the Royal Monetary Authority (RMA), "The transaction initiated with the BNBL-RuPay card from the ATM and/or PoS terminals in India will be routed to the NFS of NPCL, which in turn, will be routed to the BFS of RMA. The authenticity of the message will be checked at

BFS with a message authentication code (MAC) received from the NPCI with the application of a cryptography algorithm. The transaction will be routed to the BNBL financial switch for authentication and authorization. Additionally, the BNBL-RuPay card is EMV chip-based

which provides enhanced security and protection against fraudulent transactions. The microprocessor on the EVM chip-card is protected by cryptographic encryption, which prevents the card from cloning."

The BNBL's RuPay debit cards will be accepted at more than 100,000 ATMs and



2 million PoS terminals in India for cash withdrawal, balance inquiry and purchases.

The press release also states that the interconnection of the BFS network with the RuPay network will not only provide safe and convenient banking but will also help realize cost effective and cashless transactions by streamlining the payment flows into

mainstream banking systems and thereby, enhancing cross border digital payment between the two countries.

Meanwhile, the Phase II of the RuPay Card will enable every Bhutanese traveler to India to use their local bank cards in all the access points offered by the banks in India.