

NPCI/2023-24/NETC/001

17th May, 2023

To,

All Issuer Members participating in NETC Product

Dear Sir/Madam,

Subject: Implementation of NETC FASTag Closure and Replacement Policy

To contribute to the Government of India's vision of creating NETC FASTag as unique identity for vehicles, we are requesting all issuing members and sub-members to comply with NETC FASTag Closure and Replacement Policy (Annexure 1). Currently as per NETC mapper data, there are vehicles having multiple Tags issued against the same vehicle. This policy works towards the goal of One Vehicle One Tag by mitigating any possible misuse of multiple Tags associated with vehicles. The policy will also standardize the tag closure and replacement processes across stakeholders and define the TAT's and responsibilities of the issuers.

The policy will have to be mandatorily followed by all issuing members effective 30th June 2023 for all clauses except Forceful Tag Closure. The Implementation timeline for forceful closure clause will be 1st December 2023. Issuers need to ensure that they complete Vahan and other relevant API Certification before 1st December 2023. Kindly make a note of contents herein and disseminate the same to the relevant stakeholders.

Yours faithfully,

SD/-

Kunal Kalawatia,

Chief of Products

Enclosed: Annexure 1: NETC FASTag Closure and Replacement Policy

Annexure 2: FAQ's for NETC FASTag Closure and Replacement Policy

Annexure 1: Tag Closure & Replacement Policy Document

Background

Currently as per NETC mapper data, there are vehicles having multiple Tags issued against the same vehicle. The purpose of this policy is to contribute to the government's vision of creating NETC FASTag as identity for vehicles and to work towards the goal of One Vehicle One Tag by mitigating any possible misuse of multiple Tags associated with vehicles. This will also standardize the tag closure and replacement processes across stakeholders which currently differs as per Issuers internal processes and put forth well-defined SLA and responsibilities on the issuers. This will help to build compliance on FASTag issuance and also ensure data sanctity. This policy will be reviewed and updated periodically basis operational relevance and inputs from the ecosystem.

A. Tag Closure

Customer may apply for tag closure in following scenarios:

- a. Customer wants to/has sold the existing vehicle
- b. Customer wants to opt for a different issuer
- c. Special Case:
 - i. Death of existing customer
 - ii. Customer has brought a car with existing Tag in Negative Balance
 - iii. Forceful tag suspension where Customer has opted for a new tag by a new issuer without requesting the previous issuer for tag closure.

i. Policy for Consumers in case of Tag Closure (for aforesaid mentioned point a & b):

In the above scenarios, the customer should follow the following process for Tag Closure:

1. Access the issuer member and sub-member portal for NETC closure request of the NETC FASTag. Customer can also call the issuer member and sub-member customer care/ toll free number or write to Issuer member and sub-member email support for closure of the NETC FASTag.
2. In case customer goes to the bank portal / Customer Care No, he has to select the Tag Closure option.
3. Customer has to submit the relevant documents as per bank portal for closure along with NETC FASTag image.
4. Customer has to submit the Bank account/ wallet details for refund of net applicable settlement amount in case of closure of the NETC FASTag (Bank can also refund the net settlement amount through DD).
5. Customer has to confirm the removal and disposal of NETC FASTag from the vehicle (If in-case customer is unable to remove the tag due to un-accessibility of the vehicle like vehicle sold/stolen etc, customer wallet will be debited for transactions* occurring on the respective tag till T+5 days, T being the date of submission of valid closure request)

6. If the tag for which the closure request is being submitted has pending dues, then the customer will be first asked to clear the pending dues.
7. Once the request is submitted the Customer tag shall be closed and final settlement amount shall be credited to Bank account of customer's choice within 15 working days after the date of submission of valid closure request.
8. In the mean-while customer may apply for a new NETC FASTag from the same/different issuer member and sub-member.

ii. Special Case (for aforesaid mentioned point no. c):

Death of the vehicle owner:

1. The next of kin may apply for the tag closure with relevant proofs as per the requirement of issuer member and sub-member.
2. The next of kin has to Confirm the removal and disposal of NETC FASTag from vehicle.
3. Once the request is submitted the Customer tag shall be closed and final settlement amount shall be credited to Bank account of nominee's choice within 15 working days after deduction of pending dues and the date of submission of valid closure request.
4. In the mean-while customer may apply for a new NETC FASTag from the same/different issuer member and sub-member.

Customer has brought a car with existing Tag in Negative Balance or where previous owner is not reachable

1. Customer who has bought the vehicle has to submit a copy of ownership transfer/ RC Copy to existing Issuer member and sub-member of the old customer along with other documents as specified by respective issuer member and sub-member.
2. Customer has to confirm the removal and disposal of NETC FASTag from vehicle.
3. Issuer member and sub-member shall verify records and close the existing tag after clearing the pending dues/claims with previous owner within 15 working days after the date of submission of valid closure request.
4. Customer may apply for a new NETC FASTag from the same/different issuer member and sub-member once the previous negative balance tag is closed.

Forceful tag suspension where Customer has opted for a new tag by a new issuer without requesting the previous issuer for tag closure.

1. NPCI will suspend the old tag as soon as any new tag is issued
 - a. Customer visits new issuer member and sub-member issuance channels and gets a new tag
 - b. Once the new tag is issued, NPCI will Mark all older tags in Low Balance (03) (In addition to existing tag exception code). NPCI shall also update the existing issuer member and sub-member via API and EOD SFTP file. (Development and certification required at NPCI and Issuer member and sub-member)

- c. Issuer member and sub-member shall facilitate customer communication for consent at a frequency of 3 days. Issuer member and sub-member to facilitate any tag closure proactively being initiated by customer.
- d. If customer provides consent, then follow the tag closure process (as pt. i. Policy for Consumers in case of Tag Closure) and close the tag within 15 days of new tag being issued.
- e. If customer tag is not closed by issuer member and sub-member within 15 days, NPCI will mark the tag as 06 after 15 days of new tag issuance. NPCI will do so only in case of existing tag being in Active/Low Balance. NPCI will only act upon a hotlisted/Blacklisted Tag as soon as it is removed from the Hotlist/Blacklist.
- f. If customer raises a dispute on new tag issuance, then the same shall be notified to NPCI. These cases shall be taken up in Panel for Resolution of Disputes for conclusion and penalty be levied on defaulting Party. (Pt. C. for Penalty)

Policy for Issuer member and sub-members/ Entities:

Scenario	Actions	Responsibility – Issuer member and sub-member
<u>Tag Closure</u>	<p>Below Actions to be taken for “Tag Closure”</p> <ol style="list-style-type: none"> 1. Customer to confirm removal of the NETC FASTag from vehicle on issuer member and sub-member portal / physically along with Account details (for refund) and other relevant documents (as specified by the Bank). 2. Issuer member and sub-member to show a disclaimer for debiting wallet for any pending transactions and debit adjustments occurring on the current NETC FASTag from wallet before final settlement of refund. 3. Issuer member and sub-member to refund the applicable net amount to Customer’s choice of Bank Account/ or linked issuer member and sub-member Current/ Savings account, post receipt of relevant documents as received by bank 	<ol style="list-style-type: none"> 1. Provide relevant forms and refund details to Customer for NETC FASTag refund in the Customer Portal. 2. Confirm that the NETC FASTag is not Hotlisted/ Blacklisted and new NETC FASTag for the same can be issued, except in case of vehicles that are already blacklisted. 3. For Hotlisted NETC FASTags – Banks/Customers may handle the process of removing NETC FASTags from Hotlist after recovery of the balance due from the customer. 4. Mark the Tag as Low balance (03) immediately after receipt of a valid closure request. 5. Support any transactions till a period of T+3 days after receipt of tag closure request and debit adjustments for T+10 (5 days for DA and rest for chargeback and buffer) days. Transactions raised after the above mentioned SLA will be declined by NPCI switch.

Scenario	Actions	Responsibility – Issuer member and sub-member
		<p>6. If the tag goes into Negative balance due to transactions and Debit adjustments received till above mentioned SLA, Issuer member and sub-member shall Mark the tag as Hotlist (01) till pending dues are recovered.</p> <p>7. If the tag is in Low Balance (03) after the period of above mentioned SLA or the customer has cleared all the pending dues, the issuer member and sub-member shall mark the respective Tag in Tag Closed (06) within T+15 days</p> <p>8. Refund the money to the Customer as per Customer’s choice, if the NETC FASTag is not Hotlisted/ Blacklisted within a period of T+15 days.</p> <p><i>It is the responsibility of issuer member and sub-member (same issuer member and sub-member) to ensure two active tags cannot be issued for the same VRN number.</i></p>
<p>1. <u>Special Case: Death of existing owner</u></p>	<p>1. Customer’s next of kin to remove the NETC FASTag from vehicle and confirm the same to Issuer member and sub-member along with Account details (for refund), death certificate, and other relevant documents (as specified by the Bank).</p> <p>2. Issuer member and sub-member to refund the applicable net amount to the Bank Account/ wallet of the customer’s nominee as per existing RBI guidelines.</p>	<p>1. Issuer member and sub-member</p> <p>a. Provide relevant forms to Customer for release of payment.</p> <p>b. Confirm that the NETC FASTag is not Hotlisted/ Blacklisted and new NETC FASTag for the same can be issued, except in case of vehicles that are already blacklisted.</p> <p>c. For Hotlisted NETC FASTags – Banks/Customers may handle the process of removing NETC FASTags from Hotlist after recovery of the balance due from the customer.</p> <p>d. Refund the money to the Customer as per Customer’s choice, if the NETC FASTag is not blacklisted.</p> <p>e. For blacklisted NETC FASTags – no refund and the same is intimated to</p>

Scenario	Actions	Responsibility – Issuer member and sub-member
		Customer, the new owner of the Vehicle may procure a NETC FASTag if there are no dues pending after getting No Objection Letter from blacklisting entity
2. Special Case: Vehicle mapped past tag of earlier vehicle owner is Hotlisted or where previous owner is not reachable	<ol style="list-style-type: none"> 1. Customer to submit a copy of ownership transfer/ RC Copy to Issuer member and sub-member along with other documents. 2. Issuer member and sub-member to verify records and issue new NETC FASTag to the Customer after clearing the pending dues/claims with previous owner. 	<ol style="list-style-type: none"> 1. Issuer member and sub-member <ol style="list-style-type: none"> a. Confirm ownership transfer. b. Remove the tag from 01 exception code after recovering the pending dues and add the existing tag to 06 exception code. c. Issue a new NETC FASTag to the Customer, as per existing processes.
3. Forceful tag suspension where Customer has opted for a new tag by a new issuer without requesting the previous issuer for tag closure.	<p>NPCI will suspend the old tag as soon as any new tag is issued</p> <ol style="list-style-type: none"> a. Customer visits new issuer member and sub-member issuance channels and gets a new tag b. Once the new tag is issued, NPCI will Mark all older tags in Low Balance (03) (In addition to existing tag exception code). NPCI shall also update the existing issuer member and sub-member via API and EOD SFTP file. 	<ol style="list-style-type: none"> a. Issuer member and sub-member shall facilitate customer communication for consent at a frequency of 3 days. Issuer member and sub-member to facilitate any tag closure proactively being initiated by customer. b. If customer provides consent, then follow the tag closure process (as pt. i. Policy for Consumers in case of Tag Closure) and close the tag within 15 days of new tag being issued. c. If customer tag is not closed by issuer member and sub-member within 15 days, NPCI will mark the tag as 06 after 15 days of new tag issuance. NPCI will do so only in case of existing tag being in Active/Low Balance. NPCI will only act upon a hotlisted/Blacklisted Tag as soon as it is removed from the Hotlist/Blacklist. The action taken by NPCI will be communicated to Banks via API and SFTP. d. If customer raises a dispute on new tag issuance, then the same shall be notified to NPCI. These cases shall be taken up in

Scenario	Actions	Responsibility – Issuer member and sub-member
		Panel for Resolution of Disputes for conclusion and penalty be levied on defaulting Party. (Pt. C. for Penalty)

B. Tag Replacement

The customer may apply for tag replacement in the scenarios where:

1. Current tag is damaged/not working

Policy for Consumers

1. Access the issuer member and sub-member portal for NETC FASTag replacement. Customer can also call the issuer member and sub-member customer care/ toll free number or write to Issuer member and sub-member email support for replacement of the NETC FASTag.
2. In case customer goes to the bank portal / Customer Care No, he has to select the Tag Replacement option.
3. Customer has to submit the relevant documents as per bank portal for replacement NETC FASTag image.
4. In case of replacement, the residual amount will be transferred into new NETC FASTag (which will be assigned to the customer).
5. Customer has to confirm the removal and disposal of NETC FASTag from the vehicle by providing consent on portal / form.
6. If the tag for which the replacement request is being submitted has pending dues, then the customer will be first asked to clear the pending dues and the tag will be marked as (03).
7. Customer wallet will be debited for transactions* occurring on the respective tag till T+10 days.
8. Customer will be issued a new tag which will be delivered via courier within 7 working days.

Policy for Issuer member and sub-members/ Entities:

Scenario	Actions	Responsibility – Issuer member and sub-member
Tag Replacement	Issuer member and sub-member may ask for submitting relevant proof and issue fresh NETC FASTag after verification under same wallet so that customer can utilise the available account balance.	<ol style="list-style-type: none"> 1. Provide relevant forms and return details to Customer for NETC FASTag refund in the Customer Portal. 2. Confirm that the NETC FASTag is not Hotlisted/ Blacklisted and new NETC FASTag for the same can be issued, except in case of vehicles that are already blacklisted.

Scenario	Actions	Responsibility – Issuer member and sub-member
		<ol style="list-style-type: none"> 3. For Hotlisted NETC FASTags – Banks/Customers may handle the process of removing NETC FASTags from Hotlist after recovery of the balance due from the customer. 4. Mark the Tag as Low balance (03) immediately after receipt of a valid replacement request. 5. Support any transactions till a period of T+3 days after receipt of tag closure request and debit adjustments for T+10 (5 days for DA and rest for chargeback and buffer) days. Transactions raised after the above mentioned SLA will be declined by NPCI switch. 6. Issuer will issue a replacement tag to the customer and deliver the same via courier within 7 working days' post receiving the replacement request.

Please Note: It is the responsibility of issuer member and sub-member (same issuer member and sub-member) to ensure two active tags shall not be issued for the same VRN.

C. Penalty:

After implementation of above, if it came to the notice of NPCI where issuer members and sub-members or their Third Party Agent has done some malpractice w.r.t the issuance of NETC FASTag to a particular vehicle (on which a NETC FASTag has already been issued), following penalty will be levied onto the issuer member and sub-member.

Instance	Penalty
1 st	INR 5 Lakh
2 nd	INR 10 Lakh
3 rd	INR 15 Lakh
4 th	Bank will be disallowed for a period of 6 month to participate in NETC FASTag ecosystem

The cases of disputes due to Tag replacement / incorrect tag issuance will be referred to NETC Steering Committee for further action.

Annexure 2: FAQ's for NETC FASTag Closure and Replacement Policy

Common FAQ's

1. What is the NETC FASTag Closure and Replacement Policy?

Ans. It is a policy to standardise customer journey for NETC FASTag closure and replacement if in case customer wishes to close/replace their tag.

2. In which scenarios is the policy applicable?

Ans. The policy is applicable in following scenarios:

- Customer wants to/has sold their existing vehicle
- Customer wants to opt for a different issuer bank and hence is applying for closure of existing tag
- Special Case
 - Next of kin applying due to death of existing customer
 - Customer has bought a car with an existing tag
 - Forceful tag suspension where customer has opted for a new tag by a new issuer without requesting the previous issuer for tag closure
- Customer wants a replacement tag as the existing tag is damaged/not working

FAQs for Banks

3. Will the banks have to initiate tag closure?

Ans. Bank will only proceed for tag closure/replacement if the customer initiates the same. The entire process needs to be completed within 15 days of customer submitting a valid closure/replacement request.

4. What are the steps to be taken by bank to be compliant with the policy circular?

Ans. Scenario wise steps to be taken by bank is mentioned in detail in the policy document.

FAQs for the Consumers

5. Do I need to close all my existing tags and mandatorily get a new tag issued for my vehicle after release of this circular?

Ans. No. It is not required to close all existing tags and get a new tag. However, it is advised to close all your inactive tags and keep only one active tag linked with one vehicle in the system.

6. Do I need to close all my older tags before applying for a new tag for my vehicle?

Ans. Yes. It is recommended that you close all your older tags before getting a new tag issued as it will help in mapping one active tag with one vehicle. However, if in case you donot close all your older active tags, the system will automatically suspend your older active tags within 15 days after a new tag is issued on our vehicle. The same shall come into effect from 1st December 2023. Please note that while your older tags will be suspended, your tag linked wallet will still remain active. The wallet owner will have to initiate wallet closure process with the respective issuer bank if he/he wishes to close the same and get a refund of available balance.

7. How do I check the list and status of the tags linked to my vehicle?

Ans. You can check the list of tags linked with your vehicle and their status on following link:

<https://www.npci.org.in/what-we-do/netc-fastag/check-your-netc-fastag-status>

8. What will happen to my balance funds if my tag is closed?

Ans. Customer will be asked to submit the account details for refund of balance account when they initiate the process. In case of forceful tag suspension, the funds will be credited to the source account used while doing the recharge if the bank decides to close the tag linked PPI wallet as well. If not, you may contact the respective issuer bank.

9. What is the procedure to be followed to initiate Tag Replacement/closure?

Ans. The policy details the procedure to be followed by bank as well as customer. You may refer to respective issuer bank website to initiate the same.

10. What is the Turn Around Time for Tag Closure/Replacement and for my funds to be refunded?

Ans. The maximum TAT is of 15 days to complete tag closure/replacement and to process the funds back to customer.

11. How and where can I request for my existing tag closure?

Ans. You may visit your issuing bank's website/ Mobile application to initiate NETC FASTag closure for your existing tag.