



DATE - 21 July 2021

RBI bans Mastercard from issuing new cards in India

Context

According to the RBI, the U.S. card-issuer has failed to comply with the local data storage rules announced by the central bank in 2018.

RBI's data localization policy

1. Card companies such as Visa, Mastercard, and American Express to store all Indian customer data locally
2. Companies required to comply with these rules within six months.
3. **Reason:** Local storage of consumer data is necessary to protect the privacy of Indian users and also to address national security concerns

Developments

1. Mastercard, Visa and other foreign card companies have lobbied to dilute the rules.
2. RBI banned Mastercard from issuing new cards to customers from July 22.
3. Recently, American Express and Diners Club International were also banned by the RBI from issuing new cards after they failed to comply with the 2018 circular.

4. **Exception:** Existing Mastercard customers, however, can continue to use their cards.
5. Indian banks that are currently enrolled in the Mastercard network are expected to make alternative arrangements with other card companies.

Concerns

1. Individual Privacy concerns
2. Data ownership

New domicile rules in J&K

Context:

The J&K administration has rolled out the process to issue domicile certificates to the spouses of erstwhile State subjects who have a domicile certificate, which will allow husbands of women married outside to acquire the documents for the first time.

What does the order say?

1. In exercise of the powers conferred by provision to Article 309 of the Constitution of India read with Section of the J&K Civil Service (Decentralization and recruitment) Act, 2010, the government hereby grants domicile certificates to spouse of a domicile.
2. Those persons and their children who have resided for 15 years in J&K, or have studied for seven years and appeared in the Class X or XII exam in an educational institution in the UT, are eligible for grant of domicile

Method

1. The government has authorized tahsildars to issue such certificates against “valid proof of marriage”.
2. A deputy commissioner will be the appellate authority for the same

Inferences

1. Two to three lakh people, made up of refugees from Pakistan, sanitary workers resettled from other parts of India and Gorkhas who arrived as soldiers before Independence will get a relief
2. changes will enable many others currently living in J&K to get domicile and associated rights.

Concerns

1. New domicile rules will lead to a huge influx into the region
2. Dispossession of land and a shrinking of economic opportunities for local people