

## TOKENISATION MANDATE IN INDIA

Since the end of 2021, Amadeus has been assessing the scope and implications of the Circular of the Reserve Bank of India (“RBI”) dated 7 September 2021 and entitled “Tokenisation – Card Transactions: Permitting Card-on-File Tokenisation (CoFT) Services (the “Circular”) and doing its best efforts to remain compliant after its entry into effects set for 30 June 2022.

Amadeus has since deployed a legal and technical joint effort to ascertain in good faith the scope and consequences of the Circular, and explore accordingly solutions for compliance with the Circular, which is drafted in broad terms. Amadeus has noticed that the said broad terms of the Circular have given rise to diverging interpretations across the payments and travel industry which coupled with technical complexity entail great uncertainty and the risk that intense technology effort that compliance would take are ill-invested.

Therefore, Amadeus would like to share its interpretation of the Circular as a means of affording its customers the opportunity to comply, as well as reassuring them that best efforts are being deployed on Amadeus’ side. In this regard,

1. Amadeus considers that the following cumulative conditions will determine the scope of the Circular:
  - a. merchant registered in India and processing through an acquiring bank in India; and
  - b. a personal card (issued in the name of a person and not a company) issued in India is used; and
  - c. card details for a transaction (booking and related purchases and after-sale actions) are either kept in profile for or re-used in successive transactions;
2. use or transfer of card data for a single transaction is out of the scope regardless of whether the merchant registered in India and processing through an acquiring bank in India or a personal card issued in India is used;
3. at the core of the Circular is the requirement that cardholders’ consent to the storage of their card information by a certain merchant as token and they can give and withdraw such consent from the certain merchant at any time.

Any transaction (booking and related purchases or actions) processed through Amadeus’ system is referred to as “Relevant Transaction”.

Against that background,

1. if Amadeus Customer always acts as merchant of the payment in the processing of all Relevant Transactions,

- a. Amadeus recommends that they make their analysis and decision as to whether they may store Relevant Transaction card data in their systems (merchant's own profile);
  - b. they will be required to only keep Relevant Transaction card data in profile in Amadeus' systems or re-use Relevant Transaction card data in Amadeus' systems in a tokenised form;
2. if Amadeus Customer never acts as merchant of the payment in the processing of any Relevant Transactions (in the context of the global distribution systems – GDS, when the merchant of the payment is not the travel agent), the exemption that has been requested for the flow of card data in the context of the functioning of GDS would apply (please note that Amadeus' position is to wait to have more visibility on the outcome of the request for exemption);
  3. if Amadeus Customer does not act as merchant of the payment in the processing of some Relevant Transactions so that Amadeus is acting on their behalf to process such Relevant Transactions with other merchants,
    - a. Amadeus recommends that they do not keep Relevant Transaction card data in profile in Amadeus' systems or re-use Relevant Transaction card data in Amadeus' systems for successive Relevant Transactions, and they delete any such card data from Amadeus' systems;
    - b. if Amadeus Customer were interested in keeping Relevant Transaction card data in profile in Amadeus' systems or re-using Relevant Transaction card data in Amadeus' systems for successive Relevant Transactions, and not deleting any such card data kept in Amadeus' systems, Amadeus will require that the Amadeus Customer unify their merchant-of-the-payment logic (to acting always or never as the merchant of the payment) in order to fall under scenarios 1 or 2 above.

In any event, if Amadeus Customer is interested in keep Relevant Transaction card data in profile in Amadeus' systems or re-use Relevant Transaction card data in Amadeus' systems for successive Relevant Transactions either in tokenised form or otherwise, they should give written instructions to Amadeus and engage in specific discussion with Amadeus on the particular model allowing for compliance under the abovementioned interpretation.

More detail impact on how the Circular might affect the specific products in Amadeus' portfolio and potential solutions is being assessed by Amadeus so that productive conversations may be held in due course with Amadeus Customers falling under the latter category above.