IMPS

IMPS offer an instant,24*7 interbank electronic fund transfer service capable of processing person to person, person to account and person to merchant remittances via mobile, internet and atms. It is a multichannel and multidimensional platform that make the payments possible within fraction of seconds with all the standards and integrity maintained for security required for even high worth transactions.

MMID - Mobile Money Identifier

Each MMID is a 7 digit code linked to a unique Mobile Number. Different MMIDs can be linked to same Mobile Number.
Both Sender & Receiver have to register for Mobile Banking & get a unique ID called "MMID"
- Generation of MMID is a One-time process.
- Remitter (Sender) transfer funds to beneficiary (Receiver) using Mobile no. & 7digit MMID of beneficiary.

IFS Code

11 digit alphanumeric number, available in the users Cheque book.

IMPS Fund transfer/Remittance options:
- Using Mobile number & MMID (P2P)
- Using Account number & IFS Code (P2A)
- Using Aadhaar number (ABRS)
- Using Mobile number & MMID (P2P)
- Customer Initiated - P2M(Push)
- Merchant Initiated - P2M(Pull)

Using Mobile number & MMID (P2P)

Presently, IMPS Person-to-Person (P2P) funds transfer requires the Remitter customer to make funds transfer using Beneficiary Mobile Number and MMID. Both Remitter as well as Beneficiary needs to register their mobile number with their respective bank account and get MMID, in order to send or receive funds using IMPS.

Using Account number & IFS Code (P2A)

There may be cases where Remitter is enabled on Mobile Banking, but Beneficiary mobile number is not registered with any bank account. In such cases, Remitter shall not be able to send money to the Beneficiary using Mobile Number & MMID.
Hence on the merit of the feedback received from the banking community as well as to cater the above mentioned need, the IMPS funds transfer has been made possible using Beneficiary account number and IFS code as well, in addition to Beneficiary mobile number and MMID.

Customer Initiated - P2M(Push)

IMPS Merchant Payments (P2M - Person-to-merchant) service allows customers to make instant, 24*7, interbank payments to merchants or enterprises via mobile phone. IMPS enables mobile banking users a facility to make payment to merchants and enterprises, through various access channels such as Internet, mobile Internet, IVR, SMS, USSD.

Sender enter details of merchant's (Customer initiated - Push)

- Merchant Mobile Number & MMID
- Amount to be transferred
- Payment reference (optional)
- Sender's M-PIN

Merchant Initiated - P2M(Pull)

IMPS Merchant Payments (P2M - Person-to-Merchant) service allows customers to make instant, 24*7, interbank payments to merchants or enterprises via Mobile & Internet. IMPS enables mobile banking users a facility to make payment to merchants and enterprises, through various access channels such as Internet, mobile Internet, IVR, SMS, USSD.

Customer enter own details (Merchant Initiated - Pull)

- Customer own Mobile Number
- Customer own MMID
- OTP (generated from the Issuer Bank)

Aadhaar Based Remittance Service (ABRS)

In ABRS, a remitter can initiate IMPS transaction using the beneficiary's AADHAAR number, which acts as a financial address & which will be linked to the beneficiaries account number. ABRS facilitates in simplifying the IMPS payment initiation process as in this service the customer will have to input only AADHAAR number of the beneficiary for initiating an IMPS transaction. Another important utility of this service will be in disbursal of subsidy payment i.e. Electronic Benefit Transfer (EBT)/ Direct Benefit transfer (DBT) by the Government. ABRS will act as a catalyst in expanding financial Inclusion reach.

Query Service on Aadhaar Mapper (QSAM).

To facilitate the effective implementation of ABRS, a new feature is being added to the existing NUUP (USSD based platform on *99#) service. Under this new service, known as "Query Service on Aadhaar Mapper" the customer will be able to know : -

- Whether his/her AADHAAR number is seeded/linked to any bank account number or not?
- If yes, then with which bank and when was it last updated?

<u>**Various channels**</u>

IMPS transactions can be initiated from Mobile, ATMs and Internet banking channels.
Appropriate existing two-factor authentication method would be used for all the channels. The limit as prescribed by the bank for these channels would apply while transferring money using either of these channels.

While initiating an IMPS transaction using either ATM or Internet channel, mobile banking registration for a remitting customer is not mandatory. Similarly, for customers receiving money using account number/IFSC, or using AADHAAR number, mobile banking registration is not mandatory.

Mobile Channel

For transactions initiated using Mobile, transactions will be authenticated using mobile number & MPIN. Mobile number + MPIN

ATM channel

Authentication will be done for remitting customers while using the ATM channel as follows:
Card + ATM PIN

Internet banking channel

Authentication will be done for remitting customers while using the Internet banking channel as follows:
User ID + Internet Banking Password/Transaction Password

NUUP (*99# Service on USSD platform)

One of the innovative payment service launched by NPCI includes *99# service, which works on Unstructured Supplementary Service Data (USSD) channel. This service was launched envisioning the potential of Mobile Banking and the need for immediate low value remittances which will help in financial deepening and inclusion of underbanked society in the mainstream banking services. *99# service was dedicated to the nation by the Honourable Prime Minister of India Shri Narendra Modi on 28th August 2014 as part of Pradhan Mantri Jan DhanYojana (PMJDY).

*99# service has been launched to take the banking services to every common man across the country. Banking customers can avail this service by dialing *99#, a "Common number across all Telecom Service Providers (TSPs)" on their mobile phone and transact through an interactive menu displayed on the mobile screen. Key services offered under *99# service include, interbank account to account fund transfer, balance enquiry, mini statement besides host of other services. *99# service is currently offered by 43 leading banks & all GSM service providers and can be accessed in 12 different languages including Hindi & English. *99# service is a unique interoperable direct to consumer service that brings together the diverse ecosystem partners such as Banks & TSPs (Telecom Service Providers).

It is a common technology platform developed by NPCI which allows the Banks and TSPs to seamlessly integrate with each other to provide banking services to the customers at large over the mobile phones (basic as well as smartphone).

The maximum limit of fund transfer per customer on NUUP is Rs.5,000 per day.

Convenience of *99*99# Service

It is a value added service from NPCI that facilitates the customers to check the status of his/her Aadhaar number seeding/linking in the bank account. The service works across all GSM service providers and brings together the diverse ecosystem partners such as Banks & TSPs (Telecom Service Providers).

Considering that various subsides and benefits of the State and Central Government schemes under the Direct Benefit Transfer (DBT) programme are being doled out basis the Aadhaar number of the beneficiary; this service has proved to be a convenient mechanism for the users to ascertain his/her Aadhaar seeding/ linking status in the bank account.

Currently, following Financial, Non-financial and Value Added Services (VAS) are offered through *99# service:
        A. Send Money
        B. Request Money
        C. Check Balance
        D. My Profile
        E. Pending request
        F. Transactions
        G. UPI PIN

Financial Services
    A. Send Money : Users can send money to the beneficiary using one of the following
        1. Mobile Number ,
        2. Aadhar Number ,
        3. Payment address,
        4. saved beneficiary,
        5. IFSC code and Account Number

    B. Request Money : Users can request money from another account holder using beneficiary's
        1. Registered mobile number or
        2. Virtual Payment address.

    C. Check Balance: View available balance of the bank account linked to   user's mobile number.

    D. My Profile   **:** User can manage the following settings in his profile

1. Change Bank Account
2. Change Language
3. My details
4. Payment Address
5. Manage Beneficiary
6. Merchant
7. De register

E. **Pending request**   : pending requests for payments can be seen

F. **Transactions**   : Previous Transactions can be checked

G. **UPI PIN**   : UPIN can be set or changed

Value Added Services:

 It is a value added service from NPCI that facilitates the customers to check the status of his/her Aadhaar number seeding/linking in the bank account.

Main Features of *99# Service
➢ Works without Internet – Uses voice connectivity
➢ Round the clock availability (works even on holidays)
➢ Accessible through a common code *99# across all TSPs
➢ Works across all GSM service providers and mobile handsets
➢ Additional channel for banking and key catalyst for financial inclusion
➢ Service also offered through BC Micro ATMs to serve the rural populace
➢ No additional charges while roaming for using the service
➢ Round the clock availability to customers (works even on holidays)
➢ No need to install any application on mobile handset to use the service

What kind of issues are faced by the customer in using *99# service?
While doing transactions on *99#, customers may face following issues:

Mobile handsets: *99# service is available **only on GSM handsets**.

Handset Compatibility Issue: Though USSD based transactions works across all GSM handsets; however, owning to various reasons, sometimes few handsets do not support

USSD service. Though, the numbers of such handset models is few; still users are requested to check if their handset supports the USSD service (in case they are facing problems while performing transaction).

Technical Error or Declined Request: Transaction not getting completed due toNetwork / connectivity issues at TSPs or Banks end.

Wrong User Inputs: Transaction will get declined if the user enters wrong information like IFS Code, Account number, UPIN etc.

Unified Payments Interface ("UPI")

The launch of the Unified Payments Interface ("UPI") by National Payments Corporation of India ("NPCI"), has provided an impetus to India's move to incentivize digital payments with the vision to transform India into a digitally empowered economy and reduce dependence on cash transactions. NPCI is the umbrella body for all payment systems in India, which makes digital transactions as effortless as sending a text message.

UPI makes cutting-edge changes by supporting real time transfer of money between accounts across banks using smartphones by use of just one single interface besides creating interoperability and superior customer experience. Embracing the smartphone boom in India and the inclination of customers to move to digital mobile-based solutions, UPI addresses the challenges and limitations of the existing payment systems, wherein customers are required to disclose sensitive financial details like bank account details, IFSC code, credit/debit card details and sensitive PIN numbers while initiating transactions and juggle between different mobile banking applications with their different user IDs and passwords.

Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts.

UPI-PIN

UPI-PIN (UPI Personal Identification Number) is a 4-6 digit pass code you create/set during first time registration with this App .You have to enter this UPI-PIN to authorize all bank transactions. If you have already set up an UPI-PIN with other UPI Apps you can use the same on BHIM. (Note: Banks issued MPIN is different from the UPI UPI-PIN, please generate a new UPI-PIN in the BHIM app) Note: Please do not share your UPI-PIN with anyone. BHIM does not store or read your UPI-PIN details and your bank's customer support will never ask for it.

Payment Address

Payment Address is an Address which uniquely identifies a person's bank a/c. For instance, the Payment Address for BHIM customers is in the format xyz@upi. You can just share your Payment Address with anyone to receive payments (no need for bank account number/ IFSC code, etc.). You can also send money to anyone by using their Payment Address. Note: Do not share your confidential UPI PIN with anyone.

Virtual Payment address eliminates the need to provide sensitive information like a bank account details, debit/credit card details and CVV numbers. Also, unlike a mobile wallet, a customer is not required to set aside funds upfront in the mobile wallet setup with the service provider and all transfers under the UPI are made from the bank account linked with your virtual payment address. A virtual payment address is an identifier that will be mapped to a customer's bank account, enabling

the bank providing the UPI services to process transactions through the bank account linked with the respective virtual payment address.

Data Security

In terms of data security, UPI provides for a single click two-factor authorization, which implies that with one click, the transaction is authenticated at 2 levels, compliant with the existing regulatory guidelines issued by the Reserve Bank of India ("RBI"), without disclosing banking or personal information. As UPI primarily works based on an individual's 'virtual payment address', one can send and receive payments solely based on their 'virtual payment address' without providing any additional details. For example if you need to make a payment to a merchant for purchases made at a store, you will need to provide him only your 'virtual payment address', the merchant will then enter your 'virtual payment address' into his UPI app, the UPI app will send an authentication messages to the 'virtual payment address' linked to your mobile device, once your receive and acknowledge the message by entering your password will the transaction be completed and the amount payable to the merchant will be debited from your bank account.

Aggregator of all accounts

UPI acts as an aggregator of all accounts held by a customer enabling such customers to make transactions from multiple accounts owned by them, from one single mobile application or web interface and a customer is free to choose to use any bank's UPI application. Consequently, a customer can own multiple virtual payment addresses wherein each virtual payment address can be linked to a specific account and organise payments or collections, the way it suits them. Moreover, special instructions like setting an upper limit for payments on certain handles, and restriction of merchants or outlets at which a certain handle can be used, and standing payment instructions make the whole process very useful to customers.

The banks offering UPI services are required to be authorised by the RBI to provide mobile banking services. It is significant to note that even though the RBI has not issued any specific guidelines on the provision of UPI services, the transactions undertaken through use of UPI are required to be compliant with the guidelines issued by RBI including but not limited to, customer registration process and KYC guidelines.

How UPI / BHIM at POS works?

➢ This innovative dynamic QR-code based solution uses the store's existing credit/debit card POS terminal to enable UPI-based cashless payments.

➢ When a customer requests UPI Payment mode, the cashier simply needs to select the 'UPI Payment' option on his existing card POS terminal and inputs the relevant bill payment amount.

➢ This triggers the generation of a dynamic QR-code on the POS terminal screen itself which can be scanned into any mobile-based UPI-apps like BHIM used by the customer.

➢ When scanned, the QR code automatically transfers relevant transaction details and displays it on the customer's payment app for authorizing payment transfer.

➢ Once the payment transfer from customer's UPI-linked bank account to store's UPI-linked account is completed, the payment solution triggers a settlement confirmation to the initiating in-store POS terminal for printing out a transaction completion charge slip.

Benefits:

By enabling such a UPI payment confirmation on the merchant POS terminal itself, the new in-store UPI interface addresses a long standing implementation hurdle holding back faster spread of UPI-acceptance in large multi-lane retail stores.

With multiple checkout points, the cashiers in these stores have no direct means of payment receipt prior to releasing the purchased goods to the customer. This is unlike a small single cashier store where such a confirmation could be received via a simple text message to the single cashier's own mobile phone.

The new solution enables the crucial payment confirmation to be received on cashier-independent infrastructure like the store POS terminal - a necessity for multi-cashier stores with high cashier churn. Usage of a Dynamic QR with the merchant VPA (Virtual Private Address) or UPI ID and amount embedded in it eliminates the need for typing in of the customer or merchant credentials in the POS.

This process offers convenience besides eliminating the cumbersome and error-prone process of typing out credentials.

Key points about UPI

1. How is UPI different from IMPS?
    ➢ UPI is providing additional benefits to IMPS in the following ways:
    ➢ Provides for a P2P Pull functionality
    ➢ Simplifies Merchant Payments
    ➢ Single APP for money transfer
    ➢ Single click two factor authentication

2. Does a customer need to register before remitting funds using UPI?
    Yes, a customer needs to register with his/her PSP before remitting funds using UPI and link his accounts

3. Does the customer need to register a beneficiary before transferring funds through UPI? What details of beneficiary will be required?
    No, registration of Beneficiary is not required for transferring funds through UPI as the fund would be transferred on the basis of Virtual ID/ Account+IFSC / Mobile No+MMID / Aadhaar

Number. (Please check with your PSP and Issuing bank with regard to the services enabled on the App).

4. Can I link more than one bank account to the same virtual address?
Yes, several bank accounts can be linked to the same virtual address depending on the functionalities being made available by the respective PSPs. If the selected Bank name to link with UPI does not find your bank a/c, please ensure that the mobile number linked to your bank account is same as the one verified in BHIM App. If it is not the same, your bank accounts will not be fetched by the UPI platform. Only Savings and Current bank accounts are supported by BHIM.

5. What are the different channels for transferring funds using UPI?
   ➢ The different channels for transferring funds using UPI are:
   ➢ Transfer through Virtual ID
   ➢ Account Number + IFSC
   ➢ Mobile Number + MMID
   ➢ Aadhaar Number
   ➢ Collect / Pull money basis Virtual ID

6. What is the limit of fund transfer using UPI?
At present, the upper limit per UPI transaction is Rs. 1 Lakh.

Bharat Interface for Money (BHIM)

Bharat Interface for Money (BHIM) is an app that lets you make simple, easy and quick payment transactions. BHIM is a digital payments solution app based on the Unified Payments Interface (UPI) from the National Payments Corporation of India (NPCI), the umbrella organisation for all retail payments systems in India. You can easily make direct bank to bank payments instantly and collect money using just Mobile number or Payment address.

BHIM being UPI-based, is linked directly to a bank account. All the payee needs is a bank account. If this account is UPI activated, you can just ask for the payee's Virtual Payment Address (VPA), and make the payment to that account. Otherwise, there's the option of IFSC or MMID for sending or receiving money. The advantage is there's no need to remember an account number, or to share it with anyone. The VPA is all that is needed.

If you have signed up for UPI-based payments on your bank account, which is also linked to your mobile phone number, you'll be able to use the BHIM app to carry out digital transactions. Services available are as follows:

The following are the features of BHIM:

1. Send Money: User can send money using a Virtual Payment Address (VPA), Account Number & IFSC, Aadhaar Number or QR code.

2. Request Money: User can collect money by entering Virtual Payment Address (VPA). Additionally through BHIM App, one can also transfer money using Mobile No. (Mobile No should be registered with BHIM or *99# and account should be linked)

3. Scan & Pay: User can pay by scanning the QR code through Scan & Pay & generate your QR option is also present.

4. Transactions: User can check transaction history and also pending UPI collect requests (if any) and approve or reject. User can also raise complaint for the declined transactions by clicking on Report issue in transactions.

5. Profile: User can view the static QR code and Payment addresses created or also share the QR code through various messenger applications like WhatsApp, Email etc. available on phone and download the QR code.

6. Bank Account: User can see the bank account linked with his/her BHIM App and set/change the UPI PIN. User can also change the bank account linked with BHIM App by clicking Change account provided in Menu and can also check Balance of his/her linked Bank Account by clicking "REQUEST BALANCE"

7. Language: Up to 8 regional languages (Tamil, Telugu, Bengali, Malayalam, Oriya, Gujarati, Kannada, Hindi) available on BHIM to improve user experience.

8. Block User: Block/Spam users who are sending you collect requests from illicit sources.

9. Privacy: Allow a user to disable and enable mobilenumber@upi in the profile if a secondary VPA is created (QR for the disabled VPA is also disabled).

Unique features of BHIM:

- QR code based scan & pay option available, Generate your own QR code option is also available
- Option to save your beneficiaries for future references
- Access transaction history and Request Balance anytime
- Create, reset or change UPI PIN
- Report Issue and call Bank facilities are given to lodge complaints
- FAQ section is created in the app to answer all the queries reg. BHIM
- Available in 2 languages English and Hindi

Benefits of BHIM:

- Single App for sending and receiving money and making merchant payments
- Go cashless anywhere anytime
- Added security of Single click 2 factor authentication
- Seamless money collection through single identifiers, reduced risks, real time
- Mobile no. or Name used to create VIRTUAL PAYMENT ADDRESS (VPA)
- Best answer to Cash on Delivery hassle

- Send and collect using VIRTUAL PAYMENT ADDRESS (VPA) or A/c no & IFSC.
- Payments through single app in your favourite language.
- 24X7, 365 days instantaneous money transfer

Transfer Limits:

- Maximum limit per transaction is Rs. 10,000 per transaction
- Maximum limit per day is Rs. 20,000
- There is limit of 20 transactions per account per bank.

Charges for using BHIM:

For Smart Phones with Internet option BHIM can be executed via the app (available in Play store and coming soon for iPhone app store), whereas for feature phones, BHIM can be executed via phone dialler using *99# option.

The charges for BHIM is one time hard binding SMS charges depending on the mobile operator (Standard SMS charges of your operator).For *99# the charges are Rs.0.50/- for one transaction.

HOW TO USE BHIM APP:

First Time User:
- Step 1: Download and Install BHIM app from Google Play store/Apple App Store.
- Step 2: Select your preferred language.
- Step 3: Select SIM card which has the mobile number registered with your respective bank.
- Step 4: Set the application passcode required to enter the app.
- Step 5: Link your bank accounts using bank account option.
- Step 6: Set your UPI PIN by providing last 6 digits of debit card and expiry date of debit card.
- Step 7 (Optional): Create another virtual payment address (VPA) in the profile section. Automatically mobilenumber@upi will be your default virtual payment address (VPA) (eg. 9876543210@upi)
- Note: 2 virtual payment address (VPA)s are allowed per user 1. mobilenumber@upi and 2. name@upi)
- Step 8: Set one virtual payment address (VPA) as a primary (default) virtual payment address (VPA) (Eg. name@upi can be primary virtual payment address (VPA) making it easy to share with others).
- Step 9: Click on send and enter the virtual payment address (VPA)/Account number+ IFSC/Aadhaar number and Scan or Pay option of the person to whom you want to send money.
- Step 10: Enter the UPI Pin you set earlier to authenticate the transaction.
- Step 11: Check transaction history to see the status of the transaction.

Customer Referral Scheme –

The scheme is intended to incentivize an existing user of BHIM to bring new users on the BHIM platform and encourage the new user to do transaction using BHIM with other users or by referring new users on BHIM. Hence, the bonus will be paid to both the referrer and the new user of BHIM (referee) and the referral will be considered successful only after 3 successful financial transactions (to any valid UPI user – "valid receiver") performed by the referee.

The Scheme construct as -

1. An existing BHIM user (Referrer) to refer BHIM application to new user (Referee)

2. New BHIM user (Referee) initiates access to BHIM app or by dialing *99# from his/her mobile number registered with bank and complete on-boarding process on BHIM i.e. downloading, registering and fetching the bank account

3. New BHIM user (Referee) completes his/her first eligible financial transaction with any unique user

To establish the referral relationship between referrer and referee –

1. Referee needs to enter the referral code (mobile number) of the referrer at the time doing the first financial transaction with any unique user (to any valid UPI user including BHIM)

2. The referral code field (as an option) will appear on the transaction page and will be visible only to the new BHIM user (referee) at the time of their first financial transaction process

3. In case of *99#, the referee will choose the option of entering the referral code (as an option) at the time of on-boarding

4. System shall validate that if the referrer mobile number is valid BHIM registered

5. On completion of minimum 3 unique successful transactions totaling to Rs. 50 to any 3 unique users (either P2P or P2M), the referrer and the referee will be notified about the bonus amount via notification in BHIM app. In this the referrer and referee has to be on BHIM user, however he can perform financial transaction with any valid UPI user / merchant.

6. The bonus will be credited to the bank accounts of the referrer and the referee after meeting the eligibility criteria (as stated below)

Merchant Incentive Scheme –

1. Merchant can download and install the BHIM App or *99# in his phone and will have an option to self-declare himself/herself as merchant by clicking on "I Am A Merchant' tab in BHIM App.

2. Once the user clicks on the "I AM A MERCHANT" tab, he/she has to fill in appropriate details asked by the BHIM App - business name, contact number (auto populated), merchant category (drop-down), merchant address, city, pin-code, account type

3. The scheme applies to all merchants who receive payments on BHIM App or *99#

4. Reward section in BHIM app would display the cashback received to the merchant.

5. Merchant can use any mode available on BHIM [QR Code, VPA, Mobile number, or Aadhaar number] to collect the payments from their customers. Both push and pull based payments shall qualify for this payments.

6. On achieving the cashback incentive slab as defined for the merchants, NPCI initiates the cashback process using NACH platform and the merchant is notified of the cashback via notification in BHIM app

Aadhaar Enabled Payment System

Background

In order to further speed track Financial Inclusion in the country, Two Working Group were constituted by RBI on MicroATM standards and Central Infrastructure & Connectivity for Aadhaar based financial inclusion transactions with members representing RBI, Unique Identification Authority of India, NPCI, Institute for Development and Research in Banking Technology and some special invitees representing banks and research institutions.

The working group on MicroATM standards & Central Infrastructure & Connectivity has submitted its report to RBI. As a part of the working group it was proposed to conduct a Lab level Proof of concept (PoC), integrating the authentication & encryption standards of UIDAI, to test the efficacy of MicroATM standards and transactions using Aadhaar before they are put to actual use. The PoC was successfully demonstrated at various venues.

AEPS is a new payment service offered by the National Payments Corporation of India to banks, financial institutions using 'Aadhaar'. This shall be known as 'Aadhaar Enabled Payment System' and may also be referred to as "AEPS". AEPS is a bank led model which allows online interoperable financial inclusion transaction at PoS (MicroATM) through the Business correspondent of any bank using the Aadhaar authentication. Any resident of India holding an Aadhaar number and having a bank account may be a part of the Aadhaar Enabled Payment System.

The customer conducting an AEPS transaction may visit a BC Customer Access Point. The BC using the Point of Sale (MicroATM) device will be able to process transactions like Cash Withdrawal, Cash Deposit, Balance Enquiry and Fund Transfer by selecting the transaction of

their choice. The Customer needs to provide their Aadhaar Number and their bank name or bank IIN number.

IIN number identifies the bank to which the customer has mapped his/her Aadhaar number. Each bank would be issued a unique Issuer Identification Number (IIN) NPCI. This is a six digit number. The customer service point will have the IIN number represented on the terminal by various bank logos/ bank names or the Business Correspondent (BC) agent will have a chart displayed of various banks IIN in the customer service centre. Therefore the customer need not necessarily remember the IIN. It is however recommended that the customer be aware of their bank IIN to completely ensure an AEPS transaction.

The four Aadhaar enabled basic types of banking transactions are as follows:-

•   Balance Enquiry

•   Cash Withdrawal

•   Cash Deposit

•   Aadhaar to Aadhaar Funds Transfer

The only inputs required for a customer to do a transaction under this scenario are:-

•   IIN (Identifying the Bank to which the customer is associated)

•   Aadhaar Number

•   Fingerprint captured during their enrollment

Objectives

➢ To empower a bank customer to use Aadhaar as his/her identity to access his/ her respective Aadhaar enabled bank account and perform basic banking transactions like balance enquiry, Cash deposit, cash withdrawal, remittances that are intrabank or interbank in nature, through a Business Correspondent.
➢ To sub-serve the goal of Government of India (GoI) and Reserve Bank of India (RBI) in furthering Financial Inclusion.
➢ To sub-serve the goal of RBI in electronification of retail payments.
➢ To enable banks to route the Aadhaar initiated interbank transactions through a central switching and clearing agency.

- To facilitate disbursements of Government entitlements like NREGA, Social Security pension, Handicapped Old Age Pension etc. of any Central or State Government bodies, using Aadhaar and authentication thereof as supported by UIDAI.
- To facilitate inter-operability across banks in a safe and secured manner.
- To build the foundation for a full range of Aadhaar enabled Banking services.

Services Offered by AEPS

- Balance Enquiry
- Cash Withdrawal
- Cash Deposit
- Aadhaar to Aadhaar Fund Transfer
- Gateway Authentication Services

Bharat Bill Payment System (BBPS)

Bharat Bill Payment System (BBPS) is an integrated bill payment system which will offer interoperable bill payment service to customers online as well as through a network of agents on the ground. The system will provide multiple payment modes and instant confirmation of payment.

The policy guidelines for the BBPS system were issued by the Reserve Bank of India on November 28, 2014. The BBPS will operate as a tiered structure with a single Bharat Bill Payment Central Unit (BBPCU) and multiple Bharat Bill Payment Operating Units (BBPOUs).

Bharat Bill Payment Central Unit (BBPCU) will be a single authorized entity operating the BBPS. The BBPCU will set necessary operational, technical and business standards for the entire system and its participants, and also undertake clearing and settlement activities. As indicated in the circular dated November 28, 2015 National Payment Corporation (NPCI) has been identified to act as BBPCU. It will be an authorized entity under the Payment and Settlement Systems Act, 2007.

Bharat Bill Payment Operating Units (BBPOUs) will be authorised operational entities, adhering to the standards set by the BBPCU for facilitating bill payments online as well as through a network of agents, on the ground.

To start with, the scope of BBPS will cover repetitive payments for everyday utility services such as electricity, water, gas, telephone and Direct-to-Home (DTH). Gradually, the scope would be expanded to include other types of repetitive payments, like school / university fees, municipal taxes etc.

Banks and non-bank entities presently engaged in any of the above bill payment activities falling under the scope of BBPS and desirous of continuing the activity are mandatorily required to apply for approval / authorisation to Reserve Bank of India under the Payment and Settlement Systems (PSS) Act 2007.

The eligibility criteria for non-bank entities seeking authorization to function as BBPOUs are given below:

- • The entity should be a company incorporated in India and registered under the Companies Act 1956 / Companies Act 2013
- • The Memorandum of Association (MOA) of the applicant entity must cover the proposed activity of operating as a BBPOU
- • The applicant entity should have a net worth of at least Rs.100 crore as per the last audited balance sheet and the same has to be maintained at all times.
- • In case of any Foreign Direct Investment (FDI) in the applicant entity, necessary approval from the competent authority as required under the policy notified by the Department of Industrial Policy and Promotion (DIPP) under the consolidated policy on FDI and regulations framed under the Foreign Exchange Management Act (FEMA) must be submitted while seeking authorization.
- • The company must have domain experience in the field of bill collection/services to the billers, and relevant experience in transaction processing for a minimum period of one year.
- • The entity must apply for authorization under the Payment and Settlement Systems Act, 2007 to the Reserve Bank of India for its operations.

'Net-worth' should becomputed taking into account paid up equity capital, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets'adjusted for 'accumulated loss balance, book value of intangible assets and Deferred Revenue Expenditure, if any'.

If an entity applying for authorisation for BBPOU does not have the required net worth as indicated in the eligibility criteria, then they are required to demonstrate unequivocal commitment / sources for raising the funds and also specify the time period within which the funds will be raised.

HOUSING FOR ALL BY 2022

Urbanization is one of the important realities of recent decades in India. Its urban system consists of 7933 cities and towns of different population sizes, and a population of 377.16 million (Census 2011) which is the second largest in the world. India entered into a different demographic trajectory with the net increment to urban population exceeding the net increment to rural population. The United Nations (2014) estimates that much of the population increase in India between 2015 and 2030 will take place in urban areas during which it will add 164 million people to its urban base. The scale of the projected urban population increase is extraordinary, offering both an opportunity as well as a challenge for it to mobilize its resources and capacity to manage the transition.

The lack of housing and basic services at the required pace to meet the challenges of urbanization has resulted in the development of slums and squatter settlements with wider ramifications on the health, safety, and well-being of the citizens. The gap between the supply and demand of the housing has been widening, thus pushing up the market rates for housing in urban areas. As reported by the Technical Group on Urban Housing Shortage (2012-17), constituted by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Government of India, there is a shortage of 1.88 crore dwelling units, out of which nearly 96% belongs to the Economically Weaker Sections (EWS) and Lower Income Group (LIG) households.

According to MoHUPA, the housing shortage in urban areas, assuming the projected slum households to go upto 1.80 crore at a decadal growth rate of 34% and non-slum urban poor households of 0.20 crore, is projected at 2.00 crore by 2022. In the backdrop, a comprehensive "Housing for All by 2022" in a mission mode has been launched by MoHUPA in the middle of 2015. The 'Housing for All by 2022" Mission (HFA) envisions provision of housing for all by 2022 when the Nation completes 75 years of its independence. As per HFA, 2.00 crore new houses would be built to meet the shortage in next seven years. Mission with all its components has become effective from 17.06.2015 and will be implemented upto 31.03.2022.

As per the Mission, a beneficiary family will comprise of husband, wife and unmarried children and the family should not own a pucca house (an all weather dwelling unit) either in his/her name or in the name of any member of his/her family in any part of India. The EWS households are households having an annual income up to Rs.3.00 Lakh and LIG households are households having an annual income between Rs.3.01 Lakh to Rs.6.00 Lakh. States/UTs shall have the flexibility to redefine the annual income criteria as per local conditions in consultation with the Centre. As regards house size, it shall be an all weather single unit or a unit in a multi-storeyed super structure having carpet area of upto 30 sq. m. and 60 sq. m. for EWS and LIG respectively with adequate basic civic services and infrastructure services like toilet, water, electricity etc. Flexibility is available to States to determine the area based on their local needs with information to Ministry. Primary Lending Institutions (PLI), under the mission, include Scheduled Commercial Banks, Housing Finance Companies, Regional Rural Banks (RRBs), State Cooperative Banks, Urban Cooperative Banks or any other institutions as may be identified by the Ministry.

The HFA Mission seeks to address the housing requirement of urban poor including slum dwellers through the programme verticals such as: (a) Slum rehabilitation of Slum Dwellers with participation of private developers using land as a resource ("In Situ Slum Development); (b) Promotion of Affordable Housing for weaker section through credit linked subsidy; (c) Affordable Housing in Partnership with Public & Private sectors; and (d) Subsidy for beneficiary-led individual house construction /enhancement. The Mission shall be implemented through the said four verticals giving option to beneficiaries, Urban Local Bodies (ULBs) and State Governments as per the modalities herein below mentioned:-

a."In-situ" Slum Redevelopment using land as Resource: "In-situ" slum rehabilitation using land as a resource with private participation for providing houses to eligible slum dwellers is an important component of the HFA mission. This approach aims to leverage the locked potential of land under slums to provide houses to the eligible slum dwellers thereby bringing them into the formal urban settlement.

Private partner for Slum Redevelopment would be selected through open bidding process. State Governments and cities would, if required, provide additional Floor Area Ratio (FAR)/Floor Space Index (FSI)/Transferable Development Rights (TDR) for making slum redevelopment projects financially viable. Slum rehabilitation grant of Rs. 1 Lakh per house, on an average, would be admissible for all houses built for eligible slum dwellers in all such projects. States/UTs will have the flexibility to deploy this central grant for other slums being redeveloped for providing houses to eligible slum dwellers with private participation, except slums on private land. It means that States/UTs can utilize more than Rs. 1 Lakh per

house in some projects and less in other projects but within overall average of Rs. 1 lakh per house calculated across the State/UT.

b.Credit-Linked Subsidy Scheme: The Mission, in order to expand institutional credit flow to the housing needs of urban poor will implement credit linked subsidy component as a demand side intervention. Credit linked subsidy will be provided on home loans taken by eligible urban poor (EWS/LIG) for acquisition, construction of house. Beneficiaries of Economically Weaker section (EWS) and Low Income Group (LIG) seeking housing loans from Banks, Housing Finance Companies and other such institutions would be eligible for an interest subsidy at the rate of 6.5 % for a tenure of 15 years or during tenure of loan whichever is lower (>15 < 30 years no subsidy). The Net Present Value (NPV) of the interest subsidy will be calculated at a discount rate of 9 %.

The credit linked subsidy will be available only for loan amounts upto Rs 6 Lakh and additional loans beyond Rs. 6 Lakh, if any, will be at non-subsidized rate. Interest subsidy will be credited upfront to the loan account of beneficiaries through PLIs resulting in reduced effective housing loan and Equated Monthly Instalment (EMI). Credit linked subsidy would be available for housing loans availed for new construction and addition of rooms, kitchen, toilet etc. to existing dwellings as incremental housing. The carpet area of houses being constructed or enhanced under this component of the mission should be upto 30 sq. m. and 60 sq. m. for EWS and LIG respectively in order to avail of this credit linked subsidy. The beneficiary, at his/her discretion, can build a house of larger area but interest subvention would be limited to first Rs. 6 Lakh only.

Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been identified as Central Nodal Agencies (CNAs) to channelize this subsidy to the lending institutions and for monitoring the progress of this component. Preference under the Scheme, subject to beneficiaries being from EWS/LIG segments, should be given to Manual Scavengers, Women (with overriding preference to widows), persons belonging to Scheduled

Castes/Scheduled Tribes/Other Backward Classes, Minorities, Persons with disabilities and Transgender. Under the Mission, beneficiaries can take advantage under one component only.

c.Affordable Housing in Partnership (AHP): The third component of the mission is affordable housing in partnership. This is a supply side intervention. The Mission will provide financial assistance to EWS houses being built with different partnerships by States/UTs/Cities. To increase availability of houses for EWS category at an affordable rate, States/UTs, either through its agencies or in partnership with private sector including industries, can plan affordable housing projects. Central Assistance at the rate of Rs.1.5 Lakh per EWS house would be available for all EWS houses in such projects. An affordable housing project can be a mix of houses for different categories but it will be eligible for central assistance, if at least 35% of the houses in the project are for EWS category and a single project has at least 250 houses. Allotment of houses to identified eligible beneficiaries in AHP projects shall be made following a transparent procedure as approved by State Level Sanctioning & Monitoring Committee (SLSMC) and beneficiaries selected shall be part of HFA.

d. Beneficiary-led individual house construction or enhancement: The fourth component of the mission is assistance to individual eligible families belonging to EWS categories to either construct new houses or enhance existing houses on their own to cover the beneficiaries, who are not able to take advantage of other components of the mission. Such families may avail of central assistance of Rs. 1.50 Lakh for construction of new houses or for enhancement of existing houses under the mission. Beneficiaries desirous of availing this assistance shall approach the Urban Local Bodies (ULB) with adequate documentation regarding availability of land owned by them. Such beneficiaries may be residing either in slums or outside the slums. Beneficiaries in slums which are not being redeveloped can be covered under this component if beneficiaries have a Kutcha or Semi-Pucca house.

Implementation Process: As a first step, States/UTs will sign a Memorandum of Agreement (MoA) to participate in the mission by agreeing to mandatory conditions and other modalities. States/UTs will send proposals to the Ministry for inclusion of cities in the mission along with broad assessment of housing and resources requirement. Ministry will approve inclusion of these cities considering availability of resources. The credit linked subsidy component of the mission will, however, be implemented in all statutory cities/towns across the country right from the launch of the mission. State/Cities will undertake a demand survey through suitable means for assessing the actual demand of housing. On the basis of demand survey and other available data, cities will prepare Housing for All Plan of Action (HFAPoA). Jan Dhan Yojana/other bank account number and Aadhaar number/Voter ID card/any other unique identification details of intended beneficiaries or a certificate of house ownership from Revenue Authority of Beneficiary's native district will be integrated in the data base of HFAPoA for avoiding duplication of benefit to one individual family. On the basis of HFAPoA, States/Cities will subsequently prepare the Annual Implementation Plans (AIPs) dividing the task upto 2022 in view of the availability of resources and priority. Based on the AIP approved, the projects would

be implemented. Cities which have already prepared Slum Free City Plan of Action (SFCPoA) or any other housing plan with data on housing, shall utilize the existing plan and data for preparing HFAPoA.

A Technology Sub-mission set up under the Mission would facilitate adoption of modern, innovative and green technologies and building material for faster and quality construction of houses. The Technology Sub-Mission will also work on the following aspects: i) Design & Planning; ii) Innovative technologies & materials; iii) Green buildings using natural resources; and iv) Earthquake and other disaster resistant technologies and designs.

In the spirit of cooperative federalism, the Mission will provide flexibility to States for choosing best options amongst four verticals of the Mission to meet the demand of housing in their states. The process of project formulation and approval in accordance with Mission Guidelines would be left to the States, so that projects can be formulated, approved and implemented faster. The Mission will provide technical and financial support in accordance to the Guidelines to the States to meet the challenge of urban housing.

Mission shall be monitored at all three levels: City, State and Central Government. CSMC will monitor formulation of HFAPoA, Annual Implementation Plans (AIPs) and project implementation. Suitable monitoring mechanism is developed and put in place by the Mission. States and cities are also be required to develop monitoring mechanism for monitoring the progress of mission and its different components.

It may be concluded that the HFA mission, an improved version of earlier two schemes, may be treated as a significant step in the right direction to transform the Affordable Housing paradigm in India. The announced features and incentives to private players would definitely prove the first steps taken in addressing the housing deficit challenge facing our nation today and to overcome the hesitation of the target segment towards formal home ownership.

Developments in Know Your Customer (KYC) Guidelines, 2016

In terms of the provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, Regulated Entities (REs) are required to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions.

"Customer Due Diligence (CDD)" means identifying and verifying the customer and the beneficial owner using 'Officially Valid Documents' as a 'proof of identity' and a 'proof of

address'. "Central KYC Records Registry" (CKYCR) means an entity defined under Rule 2(1)(aa) of the Rules, to receive, store, safeguard and retrieve the KYC records in digital form of a customer.

CDD Procedure and sharing KYC information with Central KYC Records Registry (CKYCR)

REs shall capture the KYC information for sharing with the CKYCR in the manner mentioned in the Rules, as required by the revised KYC templates prepared for 'individuals' and 'Legal Entities' as the case may be. Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR vide Gazette Notification No. S.O. 3183(E) dated November 26, 2015. The 'live run' of the CKYCR was initiated with effect from July 15, 2016 in phased manner beginning with new 'individual accounts'. Accordingly, REs need to take the following steps:

i. Scheduled Commercial Banks (SCBs) shall invariably upload the KYC data pertaining to all new individual accounts opened on or after January 1, 2017 with CERSAI in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. SCBs are, however, allowed time up to February 1, 2017 for uploading date in respect of accounts opened during January 2017.

ii. REs other than SCBs shall upload the KYC data pertaining to all new individual accounts opened on or after from April 1, 2017 with CERSAI in terms of the provisions of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

iii. Operational Guidelines (version 1.1) for uploading the KYC data have been released by CERSAI. Further, 'Test Environment' has also been made available by CERSAI for the use of REs.

Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer creates a new relationship with a financial entity.

As per Prevention of Money-laundering (Maintenance of Records) Amendment Rules, 2015, Rule 9 (I) (1A), every reporting entity shall within three days after the commencement of an account-based relationship with a client, file the electronic copy of the client's KYC records with the Central KYC Registry.

Central KYC Registry has the below salient features:
- ✓ User friendly web portal.
- ✓ Unique KYC identifier linked with independent ID proofs
- ✓ KYC data and documents stored in a digitally secure electronic format

- ✓ Secure and advanced user authentication mechanisms for system access
- ✓ Data de-duplication to ensure single KYC identifier per applicant
- ✓ ID authentication with issuing authorities like Aadhaar/PAN etc.
- ✓ Substantial cost reduction by avoiding multiplicity of registration and data upkeep
- ✓ Real time notification to institutions on updation in KYC details
- ✓ Regulatory reports to monitor compliance

Central KYC application can be accessed by authorised institutions or other notified institutions under the Prevention of Money Laundering Act or rules framed by the Government of India or any Regulator (RBI, SEBI, IRDA, and PFRDA) there under.

The financial institution can register online on https://www.ckycindia.in

Registration process entails:

- Compliance Officer/Nodal Officer/Authorised Signatory of financial institution can enter the requisite details on the registration screen and submit it online.
- Upon submission reference ID will be generated and an email will be sent to compliance officer's registered mail ID.
- Duly signed form along with supporting documents to be sent to Central KYC Registry.
- Upon receipt and verification of the physical documents, Central KYC Registry's administrator will authorize the request if all documents are in proper order.

In case of discrepancies, Registry's administrator will put the request on hold and an email will be sent to the institution's compliance officer with the reasons stated therein. The details will accordingly be required to be re-submitted. Upon successful registration, user credentials will be emailed to the individuals who have been identified as the admin and co-admin during the registration.

There needs to be internet connectivity with bandwidth of minimum 512 kbps and a scanner with the stipulated specifications.

The specifications for scanning the supporting documents and photograph are stated below:

i. Document should be scanned in grey-scale with a scanning resolution of 150-200 DPI.

ii. Photograph must be a recent passport style picture preferably in colour.

a. Dimensions 200 x 230 pixels

b. Size of photograph should be between 20kb-50kb

iii. Acceptable file format : '.tif', '.tiff', '.pdf', '.jpeg', '.jpg'

iv. File Size (Maximum Limit): 350 kb for individual KYC record.

Digital certificate authentication is required for accessing the Central KYC application. The Central KYC Registry requires data as per the common KYC template to be captured along with the scanned copy of the certified supporting documents (PoI/PoA), cropped signature and photograph.

The data required as per the common template needs to be captured. However, the same can be captured on the common template or the institution's account opening forms can be modified to capture the required information. The common template need not be scanned and uploaded onto the Central KYC Registry.

There are two different types of templates – One for the accounts of the individuals and the other for the legal entities (non-individual accounts).There are three account types in the Central KYC form – Normal, Simplified and Small.

The account type can be gauged from the nomenclature of CKYC identifier issued to the customer.
For Normal Account, any of six officially valid documents (PAN, AADHAAR, Voter ID, Passport, Driving licence, NREGA Job Card) can be submitted for the ID of the customer.

Central KYC Registry will enable linkage of multiple communication addresses. An individual wanting to maintain different addresses, office or residential, for different types of relationships, can fill Annexure-A1 and submit the details to the financial institution which in turn will initiate the update request on the Central KYC application. In case of legal entities, where there may be a requirement to maintain different accounts for branches with different communication address, the entities shall submit the correspondence address details in Annexure-A2.

On update of a customer record being processed at the Central KYC Registry, all linked financial institutions (institutions that have either uploaded or downloaded the KYC record for that customer), will receive an electronic update notification of KYC record. The financial institutions need to download the last updated record of the customer.

For availing the services of the Central KYC Registry, financial institutions need to make an advance payment to CERSAI's account. For every service availed, the requisite amount will be deducted from the advance payment made. If there is insufficient balance available, the financial institution will not be able to avail the paid services until the balance is replenished.

To make the advance payment, the financial Institution will be required to generate the proforma invoice through the Central KYC application. The financial institution is required to make an advance payment through NEFT/RTGS in CERSAI's bank account and mention the system generated proforma invoice reference number as the remark.

Financial Institution user is required to enter advance payment details like amount paid, TDS, UTR No. and payment date in the Central KYC application. Upon confirmation of the payment receipt from the bank, balance will be updated. In case of the tax deducted at source (TDS), the financial Institutions are required to submit a copy of the TDS certificate to the Central KYC Registry. Financial Institution will be intimated when the balance goes below the prescribed limit set by them. The financial institution's user can download / print the usage details till the previous day.

On update of a customer record being processed at the Central KYC Registry, all linked financial institutions (institutions that have either uploaded or downloaded the KYC record for that customer), will receive an electronic update notification of KYC record. The financial institutions need to download the last updated record of the customer.

A financial institution will initiate an update request when there is a change in the information of the customer as existing in the records of Central KYC Registry.
Where the customer submits a request for updation of the data in the Central KYC Registry, financial institution will accordingly initiate the request after duly verifying the supporting documents.

The financial institution will be required to update the details in the following cases:
There is a change in the details / information as existing in the KYC records in the linked registry.
There is doubt about the adequacy or veracity of previously obtained client identification data.
There is a change of the account type (e.g. Minor account to Normal account).

The updated data along with the scanned copy of the supporting document, where required, will be uploaded in the Central KYC Registry. In order to initiate a modification request, the financial institution will need to be linked with the latest KYC record of the customer.

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