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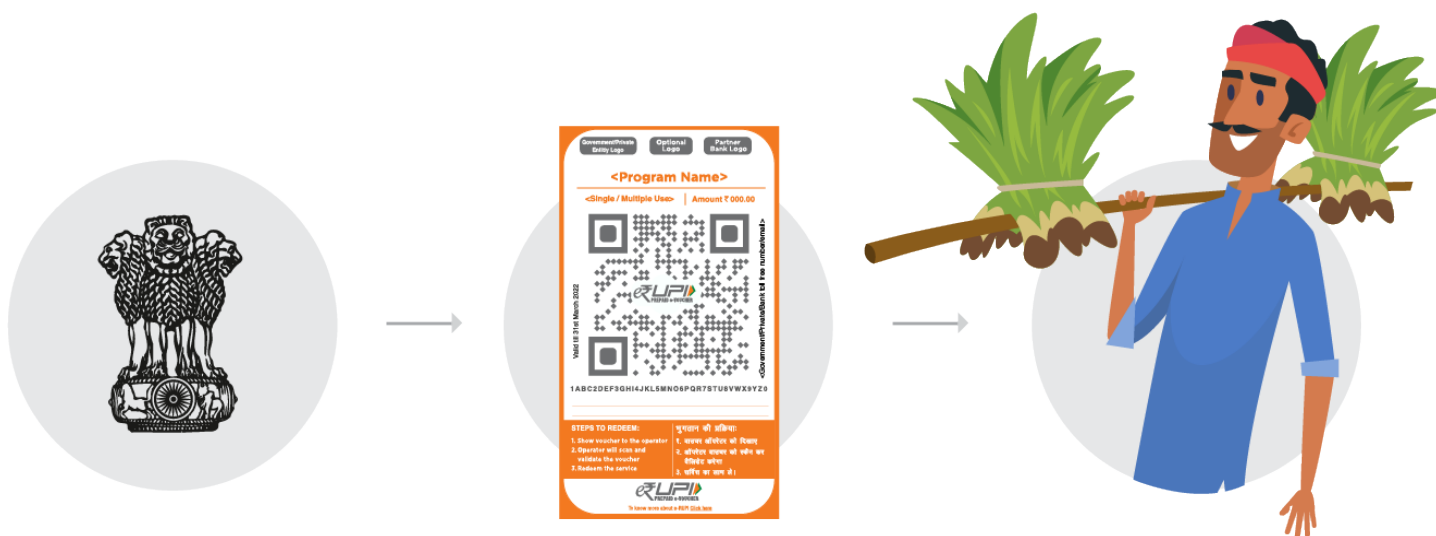
1. Introduction

Moving towards a digital cash society

India is committed to creating a digital payments ecosystem with innovations that make 'Ease of living' a reality and ensure that welfare benefits reach those who need them the most.

On 2nd August 2021, Hon'ble Prime Minister Shri Narendra Modi launched the digital payment solution e-RUPI - a cashless and contactless instrument for digital payment. The Prime Minister stated that the e-RUPI voucher will play a huge role in making Direct Benefit Transfer (DBT) more effective in digital transactions in the country and would give a new dimension to digital governance. He also stated that e-RUPI is a symbol of how India is progressing by connecting people's lives with technology.

e-RUPI is a person and purpose-specific cashless e-voucher designed to guarantee that the stored money value reaches its intended beneficiary and can only be used for the specific benefit or purpose for which it was intended. The idea is to create a minimal logistics, leak-proof delivery mechanism for a wide range of government Direct Benefit Transfer (DBT) programs across the country. The digital e-voucher platform can also be used by organizations who wish to support welfare services through e-RUPI instead of cash.



2. Features and Principles

Features

- ▶ e-RUPI voucher is an end-to-end digital solution to sponsor benefits and services to beneficiaries. e-RUPI can be issued by the sponsor with the support of Issuer banks.
- ▶ e-RUPI is a one-time and multiple time use contactless, cashless voucher-based mode of payment that helps users redeem the voucher without card, digital payments app, or internet banking access.
- ▶ e-RUPI is a person-specific and even purpose-specific digital voucher, which means these vouchers can be used by person (to whom the voucher is been given) for specific purpose.
- ▶ Beneficiary receives e-RUPI voucher on the mobile phone in the form of SMS/QR code.
- ▶ Beneficiary can redeem the e-RUPI voucher at any merchant centre which is enabled for e-RUPI acceptance.

Principles

- ▶ e-RUPI voucher can be created or revoked on the request of the Sponsor (Government/Private Entities)
- ▶ The cap on the amount for e-RUPI vouchers is INR 1,00,000/- per voucher for Government schemes only. For Private entities, the limit of e-RUPI voucher is at INR 10,000/- per voucher.
- ▶ The e-RUPI voucher is allowed to redeem for P2M purchases only. It can be accepted on all UPI merchant acceptance points, or at specific locations as per designed scheme, while issuance of such instrument.
- ▶ Every voucher is “digitally validated” on the redemption.
- ▶ The voucher issuance format will be digital only for e.g. QR code, SMS string etc. The Issuer Bank/Payer PSP may also send the communication for issuance of the e-RUPI voucher to the end beneficiary via another mode basis on the Sponsor request (digital mode only).
- ▶ The validity of the e-RUPI voucher shall be defined by the Issuer Bank/Payer PSP as per the use case (Max validity per voucher – 1 year).

3. Business Uses

What can the e-RUPI voucher be used for?

e-RUPI voucher can be used for sponsorship/ distribution of goods and services to end beneficiary. Few examples are listed below for references purpose.

- ▶ to students for a Scholarship program
- ▶ to the beneficiary for the payment of utility bills
- ▶ to the beneficiary for medical facilities
- ▶ to the beneficiary to avail products such as cycles, fertilizers, etc.
- ▶ to the beneficiary for sponsorship of subsidies and services.
- ▶ to the beneficiary for tax benefits.

4. Business Benefits

What are the business benefits of e-RUPI voucher?

For Governments and Private entities

- ▶ e-RUPI ensures that the voucher is redeemed by the person and for the purpose defined at the time of issuance.
- ▶ e-RUPI is end to end digital solution from issuance to redemption that makes the distribution process more transparent and easy to track.
- ▶ It will lead to cost savings as well since there is no need for physical issuance of e-RUPI.
- ▶ Quick, safe & contactless voucher distribution.

For Customers

- ▶ There is no prerequisite for a beneficiary to avail e-RUPI i.e e-RUPI does not require the customer to have a bank account etc., a major distinguishing feature as compared to other digital payment forms.
- ▶ It ensures an easy, contactless two-step redemption process that does not require sharing of personal details either.
- ▶ e-RUPI is operable on features phones also, and hence it can be used by the beneficiary who does not own smartphones or in places that lack an internet connection.

5. Participants

A. Who all participates in the e-RUPI ecosystem?

✦ Issuer Bank/Payer PSP

Issuer bank/Payer PSP shall be the bank/PSP which would initiate the request to create e-RUPI voucher to NPCI.

✦ Sponsor

Sponsor shall be the Corporate, State, and Union Government department, a business customer of the bank who shall request the bank for creation of e-RUPI voucher.

✦ e-RUPI Beneficiary

e-RUPI beneficiary shall be the person to whom the e-RUPI voucher is issued. An e-RUPI Beneficiary may not be a UPI User or bank account holder.

✦ Designated Merchant

Designated merchant are specific voucher acceptance points where e-RUPI voucher can be redeemed/used.

✦ Acquiring Bank/Payee PSP

Acquiring bank/Payee PSP shall be providing facility/capability to designated merchants to accept the e-RUPI voucher for redemption.



B. e-RUPI Flow

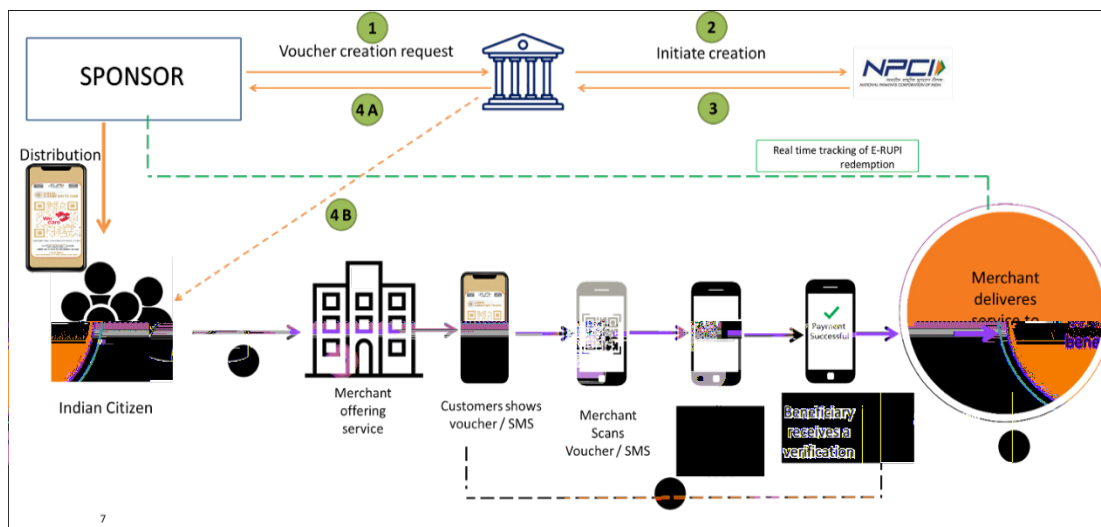


Illustration of end to end process

Steps Involved

1. Corporate/Government Department (Sponsor) shares information (specify the fields like name, mobile no, amount, expiry date, purpose of the voucher etc.) to issue e-RUPI to Issuer Bank.
2. Issuer Bank/Payer PSP initiates the request to generate e-RUPI to NPCI.
3. NPCI responds to Issuer Bank/Payer PSP with success confirmation.
4. Issuer Bank/Payer PSP confirms e-RUPI generation back to Corporate / Government Entity, to be further distributed to the beneficiary in the form of QR or SMS string by the Bank/Sponsor.
5. Beneficiary reaches merchant with e-RUPI redemption.
6. Merchants scan e-RUPI vouchers for validation, verify beneficiaries, and initiate redemption requests.
7. Post successful redemption confirmation, the merchant provides service to the beneficiary.

C. Roles and Responsibilities

NPCI

- ▶ NPCI is the owner, network operator, service provider, and coordinator of the UPI Network.
- ▶ NPCI reserves the right to either operate and maintain the UPI network on its own or provide or operate necessary services through third party service providers.
- ▶ NPCI will provide and maintain the network infrastructure relevant to the operation of the UPI platform, maintain uptime, and ensure timely settlements to banks.
- ▶ NPCI may revise the UPI architecture and its procedural guidelines as and when required.
- ▶ NPCI has the right to call for documents relating to the architecture, operating model, and other technology related aspects of the UPI solution which the bank/PPI/PSP is planning to develop or has developed.
- ▶ All certification stages will require sign-off from the concerned UPI team.
- ▶ NPCI may notify PSP and TPAP of any problems encountered in the UPI platform, that are attributable to the telecommunication network, as well as any complaints received from customers from time to time.
- ▶ NPCI issues circulars from time to time, to disclose major decisions, to relevant stakeholders, which all banks/PPIs/ PSPs will have to adhere to.

Sponsor Bank

The sponsor bank responsibilities for e-RUPI API gateway:

- ▶ The sponsor is expected to develop APIs according to NPCI API specifications.
- ▶ It is the sole responsibility of the Sponsor to ensure that all details which are passed to the Issuer Bank/Payer PSP should be valid and correct. The Sponsor shall be liable in case of any invalid and incorrect details are passed to Issuer Bank/Payer PSP for voucher creation.
- ▶ It is the sole responsibility of the Sponsor and the redemption center to ensure that all details which are passed to the Acquirer Banks should be valid and correct. The Sponsor and the redemption center shall be liable in case of any invalid and incorrect details are passed to Acquirer Bank/Payee PSP for onboarding centers on e-RUPI.

- ▶ The sponsor shall communicate from time to time if there is any change in the list of the onboarding centers. Basis the list received, Acquirer Banks shall activate/deactivate the center and confirm back to the Sponsor.
- ▶ Issuer Bank/Sponsor shall distribute the vouchers to the end beneficiary only in digital format i.e. QR code or SMS String (no print/paper format permitted).
- ▶ Issuer Banks/Sponsor shall ensure and use defined SMS format and voucher design for distributing vouchers to the end beneficiary

Issuer Bank/ Payer PSP

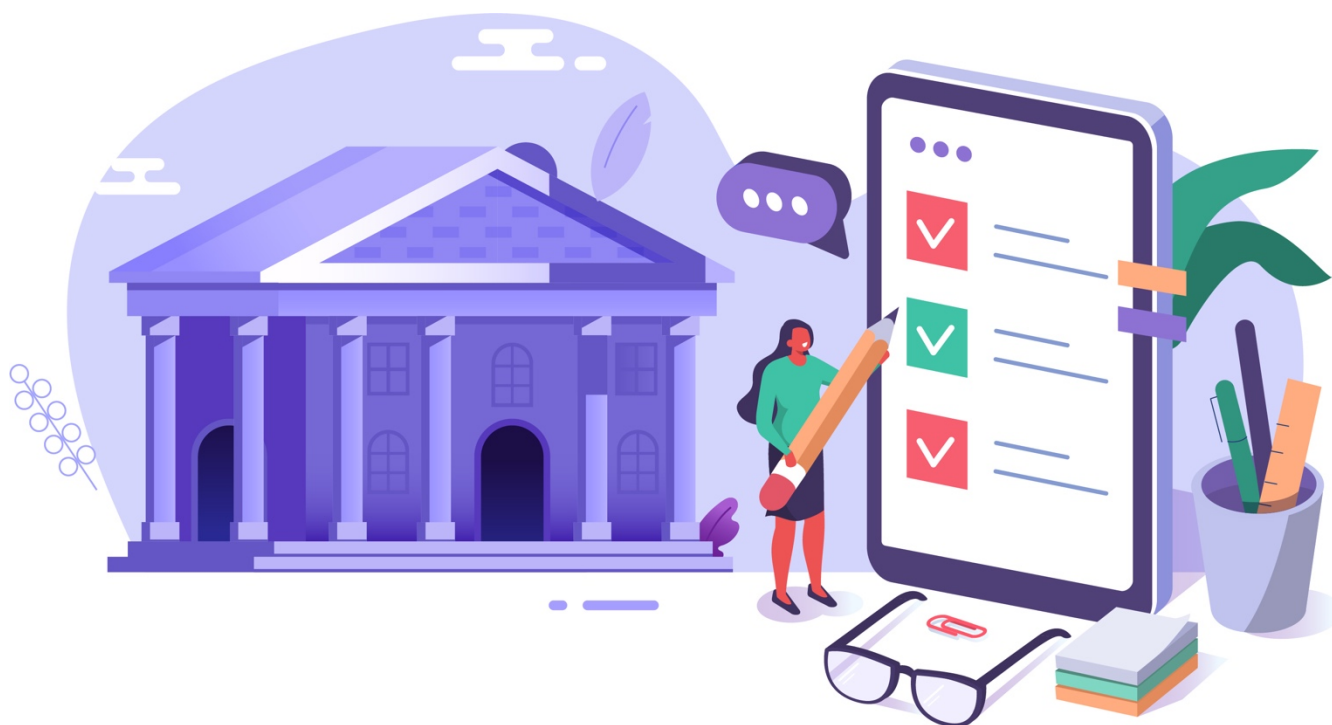
An issuer bank/Payer PSP is required to:

- ▶ Issuer Bank/Payer PSP shall be able to issue One time use and Multiple time use e-RUPI vouchers.
- ▶ Issuer Bank/Payer PSP shall be able to issue e-RUPI vouchers for Government Schemes up to INR. 1,00,000 per voucher whereas for Private entities it shall be up to INR. 10,000 per voucher. Issuer can shall maintain per voucher limit check during voucher creation basis Government scheme/ Private entities.
- ▶ Issuer Bank/Payer PSP shall adopt a risk-based approach in deciding the number of e-RUPI vouchers which can be issued to a single beneficiary.
- ▶ The validity of the e-RUPI voucher shall be defined by the Issuer Bank/Payer PSP as per the use case (Max validity per voucher – 1 year).
- ▶ For Multiple-time use e-RUPI vouchers, once the voucher has expired, the Issuer Bank/Payer PSP shall refund the remaining balance amount back to the Sponsor's source account.
- ▶ For One-time use e-RUPI voucher, Issuer Bank/Payer PSP shall refund the remaining balance amount back to the Sponsor's source account post 1st Redemption/Revoke/Expiry whichever is earlier.
- ▶ e-RUPI voucher shall be revoked by the Issuer Bank/Payer PSP at any point on a real-time basis on the request received from the Sponsor. Post revoke, the Issuer Bank/Payer PSP shall send SMS to the customer with the revoke details.
- ▶ Issuer Bank/Payer PSP shall issue an e-RUPI voucher for each use case as per MCC & Purpose code Mapper shared by NPCI.

- Issuer Bank/ Payer PSP shall mandatorily send an SMS to the e-RUPI beneficiary with a download QR link once the voucher is created. The Issuer Bank/Payer PSP may also send the communication for issuance of the e-RUPI voucher to the end beneficiary via another mode basis on the Sponsor request (digital mode only).
- Issuer Bank/Payer PSP shall also have resent voucher facility.
- Issuer Bank/Payer PSP shall follow NPCI SMS and voucher template guidelines.
- On receiving a validation request, the Issuer Bank/Payer PSP shall verify the purpose code and MCC as per MCC & Purpose Code Mapper.
- Post each redemption, the Issuer Bank/Payer PSP shall send SMS to the customer with redemption details and pending voucher balance.
- It is the responsibility of Issuer Bank/Payer PSP to manage the balance of each voucher as part of the Voucher Management System.
- Issuer Bank/Payer PSP should also follow the voucher creation checklist shared by NPCI.
- Issuer Bank/Payer PSP shall ensure that the purpose code is not used for any use case other than e-RUPI vouchers.
- Issuer Bank/Payer PSP shall ensure that the e-RUPI voucher are one time and multiple time use only and not reloadable and not to allow to transfer the voucher to other beneficiary.
- To communicate terms & conditions including expiry, redemption process etc. to the beneficiary.
- Shall ensure the authentication and authorization of the voucher.
- Support dispute handling mechanism or customer grievance redressal.
- To ensure real time communication to Sponsor and intended beneficiary (if mobile number available) for creation, redemption, revoke & expiry of e-RUPI voucher.
- To ensure reconciliation and settlement process as defined by NPCI.
- To honor all the redemption requests received for e-RUPI vouchers subject to verifications.
- Issuer Banks to onboard Sponsor as corporate for issuing e-RUPI voucher as per Banks standard process.
- As per mutual agreed frequency between Issuer Bank/Payer PSP and Sponsor, Issuer Bank/Payer PSP shall share the MIS/report with the Sponsor.

Payee PSP/Acquirer Bank/Aggregators

- All Merchant Acquirer apps shall have a SMS scan feature along with a QR scan feature.
- Acquirer Banks/Entities shall guide redemption centers for onboarding them on the e-RUPI platform.
- Acquiring Banks will onboard each redemption centers according to the existing merchant onboarding process for e-RUPI.
- Acquiring Banks should provide login credentials and a manual for using the application.
- Acquirer Apps should follow the voucher redemption checklist, verification code checklist, and app brand guidelines.
- To ensure correct merchant information is passed to UPI.
- To ensure dispute-handling mechanism at Acquirer Bank/Payee PSP end.
- To ensure reconciliation and settlement process as defined by NPCI.
- Proper reconciliation process in place to ensure addressing all online issues in offline/recon process proactively



On-boarding

Issuer banks to onboard sponsor as a corporate for issuing e-RUPI voucher as per the bank's standard process.

Acquiring banks will onboard each redemption centre according to the existing merchant onboarding process for e-RUPI. Acquirer Banks will provide applications that can be installed on to Staff smartphones/Smart POS. Installed applications must have the capability to scan and redeem e-RUPI (both QR and SMS forms of e-RUPI). Acquiring banks should provide login credentials and a manual for using the application. Acquiring banks should guide/train the redemption center staff on how to use the application.

De-boarding

For De-boarding process, please refer UPI Product booklet on the NPCI website

6. Acts

Banking Regulations Act 1949

Payment and Settlement Systems Act, 2007 (PSS Act)

Section 43A of IT Act, 2000 and the IT Rules, 2011

Section 25 of the Payment and Settlement Systems Act, 2007 (PSS Act)

For more details on e-RUPI voucher, please refer the e-RUPI kit