



KAMARAJ IAS ACADEMY
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RuPay Domestic Card Scheme Agreement

Published On: 06-10-2023

Why is in news? RuPay Domestic Card Scheme Agreement between India and the UAE

NPCI International Payments Limited (NIPL), a wholly-owned subsidiary of the National Payments Corporation of India (NPCI), has **entered into a strategic partnership agreement** with **Al Etihad Payments (AEP)** for **Domestic Card Scheme (DCS) Implementation in UAE**.

AEP is an indirect subsidiary of the Central Bank of UAE (CBUAE).

As per the agreement, NIPL and AEP will **work together to build, implement, and operationalize UAE's national domestic card scheme**.

The DCS solution is **based on the principles** of sovereignty, speed to market, innovation, digitization, and strategic independence.

The DCS solution provided by NIPL consists of a **RuPay stack and value-added services** like fraud monitoring services and analytics.

NIPL will also assist AEP in formulating the operating regulations for their domestic card scheme.

Outcome of the agreement:

The DCS will aim to **facilitate the growth of e-commerce and digital transactions** in the UAE, **bolster financial inclusion**, support the UAE's digitization agenda, increase alternate payment options, reduce the cost of payments, and enhance the UAE's competitiveness and position as a global payments leader

The partnership aligns perfectly with NIPL's mission to offer its knowledge and expertise to assist other countries in establishing their own cost-efficient and secure payment systems.

RuPay Card:

RuPay is an **indigenous, highly secure, and widely accepted card payment network** in India.

RuPay cards have debit, credit, and prepaid propositions.

More than 750 Million RuPay cards are in circulation as of date.

RuPay cards make up more than 60% of total cards issued in India, with every second Indian having a RuPay card now.

These cards are issued through the entire banking spectrum, including public sector, private, and small banks.

Digital Public Infrastructure:

Kamaraj IAS Academy

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

India's world-renowned **Digital Public Infrastructure (DPI)** is driving massive transformation in the payment space.

DPI framework includes **digital identity, digital payments, and digital data exchange layers** - a combination of these three is the **force behind the fintech revolution** in India.

Simply speaking, in India, **nearly every adult has access to banking services**, a way to remotely authenticate themselves (through Aadhar), and access to the internet through efficient and affordable mobile connectivity.

A combination of these factors makes **India the third largest fintech ecosystem in the world, with rapidly surfacing unicorns.**

India has witnessed an exponential growth of 367% in customers participating in digital transactions in the last five years, with an active customer base of more than 340 million.