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Central Bank Enables Cross Border Bill Payments via BBPS

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What's in News?

The RBI have decided to enable BBPS to accept cross-border inward payments in order to facilitate non-resident Indians (NRIs) undertaking utility, education and other bill payments on behalf of their families in India.

News Highlights:

The Reserve Bank of India widened the scope of the Bharat Bill Payment System, enabling it to accept cross-border in-bound bill payments.

The move will facilitate non-resident Indians (NRIs) to undertake utility, education, and other bill payments on behalf of their families in India, thus allowing for payment of bills of any biller on-boarded on the BBPS platform in an interoperable manner

So far, the **payment channel was accessible only for residents in India**

This allow **foreign inward remittances received under the Rupee Drawing Arrangement (RDA)**, to be **transferred to the KYC compliant bank account of the biller** (beneficiary) through Bharat Bill Payment System (BBPS)

This move will allow an NRI access to the full suite of more than 20,000 bill collections that are available on this system, which they may not otherwise have access to.

Further, **NRIs will no longer need to have an NRE account in India for making bill payments.**

This will **enhance ease and reduce delayed payments**

To provide a holistic framework, a consumer complaints option has also been provided to provide concurrent support to consumers regarding any grievances on using BBPS

The National Payments Corporation of India (NPCI) has been authorized by the RBI as the **Bharat Bill Payment Central Unit (BBPCU)**, which is responsible for setting business standards, rules and procedures for technical and business requirements for all participants.

The BBPCU undertakes **clearing and settlement activities** related to transactions routed through BBPS.

Rupee Drawing Arrangement (RDA):

Rupee Drawing Arrangement (RDA) is a **channel to receive cross-border remittances from overseas jurisdictions.**

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Under this arrangement, the Authorised Category I banks enter into tie-ups with the non-resident Exchange Houses in the FATF compliant countries to open and maintain their Vostro Account.

(A vostro account is an account that a domestic bank holds for another foreign bank in the domestic bank's currency.)

There is no limit on the remittance amount as well as on the number of remittances.

However, there is an upper cap of Rs.15.00 lakh for trade related transactions.

BBPS:

The Bharat Bill Payment System is owned and operated by **NPCI Bharat BillPay Ltd.** and offers an interoperable platform for standardised bill payment experiences, a centralised customer grievance redress mechanism, and a uniform customer convenience fee, among other features.

It is a one-stop ecosystem for all recurring bills providing an interoperable and accessible “Anytime Anywhere” recurring payment service to all customers across India with certainty, reliability and safety of transactions.

Bharat Bill Payment System has multiple modes of payment and provides instant confirmation of payment via an SMS or receipt with a Be-assured symbol.

It offers repetitive payments of all type like electricity, telecom, DTH, gas, water bills, insurance premium, loan repayments, Cable, FASTag recharge, education fees, credit card, municipal taxes, mutual subscription fees, housing society etc. through a single window.

The payment modes options at BBPS are cash, cards (credit, debit and prepaid), IMPS, UPI, AEPS, internet banking and UPI, wallets.

NPCI:

NPCI is a **not-for-profit organisation** established by the **Reserve Bank of India (RBI) and the Indian Banks Association** to create and operate a robust retail payments and settlement infrastructure in India.

NPCI's services portfolio includes BharatQR, BHIM, IMPS, UPI, and RuPay among others.

It act as an umbrella organisation for operating various Retail Payment Systems (RPS) in India.

NPCI became **functional in early 2009** under the Payment and Settlements System Act, 2007.

NPCI headquarters is located in **Mumbai, Maharashtra**.

NPCI has taken over National Financial Switch (NFS) from Institute for Development and Research in Banking Technology (IDRBT).

NPCI is expected to bring greater efficiency by way of uniformity and standardization in retail payments and expanding and extending the reach of both existing and innovative payment products for greater customer convenience.

Conclusion:

This is a big boost for digital payments in India because more avenues will become available, enabling digital collections in both domestic and international markets.

It will also streamline the overall system and encourage consumers to make payments via digital channels rather than by visiting branches

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