



KAMARAJ IAS ACADEMY
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Unified Payments Interface (UPI)

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Why in news?

New UPI feature lets you authorise others to make transactions from your account.

Unified Payments Interface (UPI) users may now be able to authorise other users to make transactions using their bank account.

The **primary user** who is the account holder **can authorise a secondary user** to **make transactions** using their bank account up to a specified limit.

About Unified Payment System:

It is a digital and **real-time payment system** developed by the **National Payments Corporation of India (NPCI)** and **regulated by the Reserve Bank of India (RBI)**.

It was launched on **April 11, 2016**.

NPCI launched UPI with 21 member banks in 2016.

It is an **advanced version of Immediate Payment Service (IMPS)**- round-the-clock funds transfer service to make cashless payments faster, easier and smoother.

UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood.

UPI operates as a **digital public infrastructure**, allowing seamless interactions for all players, including merchants and customers, without transaction costs.

UPI is currently the biggest among the National Payments Corporation of India (NPCI) operated systems including **National Automated Clearing House (NACH)**, **Immediate Payment Service (IMPS)**, **Aadhaar enabled Payment System (AePS)**, **Bharat Bill Payment System (BBPS)**, **RuPay** etc.

The top UPI apps today include PhonePe, Paytm, Google Pay, Amazon Pay and BHIM, the latter being the Government offering.

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National Payments Corporation of India

- NPCI, an umbrella organisation for operating retail payments and India, is **an initiative of Reserve Bank of India (RBI) and Indian Bank Association (IBA)** under the provisions of the Payment and Settlement System Act, 2005.
- It is a “Not for Profit” Company under the provisions of **Section 25** (now Section 8 of Companies Act 2013), with an intention to provide a unified and secure Banking system in India for physical as well as electronic payment systems.