

NPCI/2018-19/AEPS/010

Date: 13th February'19

To
All the member of Aadhaar Enabled Payment System

**Circular on a) implementing the control measures against split transactions and
b) Issuing a standard investigation structure for fraudulent transactions in AePS**

AePS OFFUS financial transactions are growing significantly year on year basis. To compensate, acquirer for the infrastructure cost; issuer pays interchange to acquirer for the financial transactions. Acquirer shares some portion of interchange income to its BC partners as commission. However, in order to earn more commission; BC partners are splitting the single transaction amount to multiple transactions. This is a case of split transactions. This issue has been discussed in various steering committee meetings.


In 24th AePS steering committee, it has been decided to implement rules at issuer side as a control measure against the split transactions. To define the rules at issuer side, NPCI recommends to have per user per day & per month, volume and value based transactions limits. NPCI closely monitors the data of AePS OFFUS transactions, where per customer AePS OFFUS cash withdrawal is in the range of 1.10 to 1.24 in a month. Average ticket size of cash withdrawal per month is in the range of ₹1,159 to ₹2,890. Looking at this statistics of transactions, we recommend issuer banks to implements limits at their end for cash withdrawal as per their risk appetite and by abiding the guidelines provided by regulators. Issuer banks are advised to submit the rules implemented at their end in the format attached in the Annexure I by 28th February'19. Whenever member banks update the rules, they have to notify NPCI about the same.

To control split transactions proactively, NPCI advises acquirer banks to implement per Aadhaar per terminal ID per day maximum limit of 5 withdrawal transactions as a best practice.

Further, since inception to this financial year, AePS OFFUS transactions have presented exponential growth driving the financial inclusion in its true spirit. However there are few suspicious cases reported by some of the issuer banks. In order to formalize the process of investigation NPCI advises all member banks to submit their cases by adhering to the format attached in Annexure II.

All the member banks need to submit the investigation report in the attached format for the cases occurred on or after 1st January'19.

With Warm Regards,


Bharat Panchal
SVP-Risk Management

Annexure I

Bank Name	Per Day Limit		Per Month Limit	
	In terms of Number of Transactions [Through AePS Channel]**	In terms of Value of Transactions [Through AePS Channel]**	In terms of Number of Transactions [Through AePS Channel]**	In terms of Value of Transactions [Through AePS Channel]**

**Banks have to respond with “UW” response code when the above mentioned limits are breached.

Member banks have to submit this annexure on the letter head addressing to:-

Head- Product Development (AePS)
National Payments Corporation of India
3rd Floor, Raheja Titanium,
Off Western Express Hwy,
Geetanjali Railway Colony, Ram Nagar,
Goregaon East,
Mumbai-400063

7

Annexure -II

Fraud Analysis & Investigation Report		
A. DETAILS NEED TO BE FILLED BY ISSUER		
A.1	<u>CASE DETAILS</u>	
a.	Date of Occurrence of Fraud Transaction	
b.	Date of fraud reported by customer	
A.2	<u>CUSTOMER DETAILS</u>	
a.	Name	
b.	Contact	
c.	Aadhaar Number [Masked Format only]	
d.	Customer Location	
e.	Customer Bank Branch address	
A.3	<u>TRANSACTION DETAILS</u>	
a.	Correct Aadhaar Seeded (Y/N)	
b.	Number of Transaction Reported	
c.	Trxn Date Acq ID Terminal ID RRN Number Amount Timespan	
A.4	<u>MODUS OPERANDI</u>	
a.	Customer reported statement	
b.	Due diligence Check	
c.	If any specific details issuer want to report	
A.5	<u>FIR DETAILS</u>	
a.	FIR/Complaint Lodged (Y/N).	
b.	IF "No" Provide reason	
c.	FIR Number & Date	
d.	Police Station	
e.	Status of the case	
B. DETAILS NEED TO BE FILLED BY ACQUIRER		
B.1	<u>CSP / BC DETAILS</u>	
a.	BC Name	
b.	Contact Number	
c.	Address	
d.	On-board Date	
e.	Off-board/Termination/suspension Date (If applicable)	
f.	Off-board/Termination/suspension Reason (If applicable)	
g.	Corporate BC details (If any)	

B.2	<u>INVESTIGATION DETAILS / MODUS OPERANDI</u>	
a.	Brief Description of the case/Modus Operandi	
C.	Register maintained by CSP / BC	
b.	Any Specific Proof.	

Member banks have to submit this annexure on the letter head addressing to:-

Head- Risk Management
National Payments Corporation of India
3rd Floor, Raheja Titanium,
Off Western Express Hwy,
Geetanjali Railway Colony, Ram Nagar,
Goregaon East,
Mumbai-400063