

**To,
All members of Aadhaar Enabled Payment System (AePS)**

Madam / Dear Sir,

Sub: Splitting of transactions below Rs. 10,000 for Off-us transactions initiated from Micro-ATM (AePS & Card +PIN)

It has been brought to our notice that at some Business Correspondent (BC) locations, customers are unable to withdraw an amount up to Rs. 10,000 in a single transaction (refer AePS Circular 3 dated 25 January 2016). In such situations, the customer is forced to make multiple transactions to withdraw an amount up to Rs. 10,000. This results in inconvenience to the customers and the customer may be levied service charges, once the monthly free transactions are exhausted.

It is understandable that in exceptional conditions the BC may not be able to disburse higher amounts due to unavailability of specific higher denominations, lack of cash etc. However, any deliberate attempt to keep transaction limits below Rs. 10,000 and force the customer to split the withdrawal into multiple transactions, is not appropriate. We have already issued Circular 35, dated 13 February 2019, directing the acquirer banks on the restrictions to be enforced on AePS transactions to control split transactions. Members to put in place adequate monitoring mechanism and take appropriate measures to ensure such practices are not implemented in the field.

Members are requested to bring this circular to the attention of all concerned including the third party service providers & Corporate BC, if any.

Yours sincerely,

Sd/-

**Dilip Asbe
Managing Director and CEO**

Encl: AePS circular 3 dated 25 January 2016 and AePS circular 35, dated 13 February 2019

Circular: NPCI/2015-16/AEPS/03

25th January, 2016

To,

All members of Aadhaar Enabled Payment System & eKYC

Implementation of per transaction limit for AEPS transactions

Respected Sir/Madam,

Aadhaar Enabled Payment System was launched in January 2011. It has been growing ever since both in terms of number of services and transactions.

The AEPS Steering Committee held on 15th September 2015 has taken the decision to define the per transaction limit for transactions in the AEPS. The defined transaction limit will apply for the below transaction types:

1. AEPS OFFUS transaction for Cash Deposit.
2. AEPS OFFUS transaction for Cash Withdrawal.
3. AEPS OFFUS transaction for Fund transfer.

The AEPS Steering Committee has fixed Rs 10,000/- as the per transaction limit. Member banks that are certified as acquirers are advised to implement this per transaction limit of Rs 10,000 for all the above three transaction types. Member Banks are also advised to note that the liability of declining any transaction with amount greater than Rs 10,000 per transaction lies with the member (Acquirer) bank.

Member entities are requested to kindly implement the same immediately but not later than 1st of April 2016.

With Warm Regards,



(Pushpinder Singh)

Head FI & New Business

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.

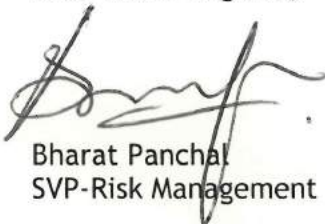
In 24th AePS steering committee, it has been decided to implement rules at issuer side as a control measure against the split transactions. To define the rules at issuer side, NPCI recommends to have per user per day & per month, volume and value based transactions limits. NPCI closely monitors the data 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