

**NPCI/2019-20/BBPS/002**

**08<sup>th</sup> April 2019**

To,

All BBPOUs  
Bharat Bill Payment System

Madam/ Dear Sir,

**BBPS: Penalty on refunds initiated by Biller BBPOUs**

Reference is drawn to the Steering Committee meeting of BBPS held on 13<sup>th</sup> February 2019 wherein the committee had agreed to the imposition of penalty of ₹100/- per transaction on the Biller BBPOUs who initiate the refunds post settlement of funds.

The penalty would come into effect from 01<sup>st</sup> May 2019 i.e. any transaction initiated on or after 15<sup>th</sup> April 2019 subsequently refunded by the biller BBPOU with reasons attributable to deficiency of the Biller BBPOU would be liable for penalty.

The penalty was envisaged as a deterrent keeping in mind better customer experience. It is therefore imperative that the Biller aggregating BBPOUs posts the transaction with the biller within the prescribed timelines who in turn must ensure that the transaction date is considered as a value date by the Biller at the time of posting. Exceptions if any must be refunded to the Customer BBPOUs immediately with appropriate reasons.

The proposed process for implementing the above is outlined in Annexure I of this circular.

BBPOUs are requested to take note of the above and bring this to the notice of the concerned officials and sponsor banks wherever applicable.

Yours faithfully,

Lalit Khurana  
AVP - Operations  
Bharat Bill Payment System

## Annexure I:

- a. Refunds requests for transactions already settled in favour of the Biller BBPOUs which are subsequently received from the Biller BBPOUs attributed to any of the following scenarios would be considered for the purpose of levying the penalty.
  - Failure to post the transaction on account of Technical issues at the BOU/Biller's end.
  - Failure to post the transaction on account of mismatch in the bill amount and transaction amount.
  - Time out either Bitter or BOU's end.
  - Delay in settling the transaction with the Biller.
- b. The process of levying the penalty would be carried out once in a month. Refund cases eligible for penalty, accepted by BOUs in the preceding month (once accepted these are settled in favour of COUs in the next settlement) would be considered for penalty.
- c. BBPCU would debit the RTGS settlement account of the BOUs (or their sponsor banks) and credit the COUs (or their Sponsor Banks) with the penalty amount per transaction plus GST @18%.
- d. Prior communication will be sent to all parties individually along with the transaction details 5 days prior to the date of debit along with the summary report.
- e. COUs will have to provide the invoices to the BOUs offline based on the reports provided by BBPCU since there will be no provision to accommodate such requests in the NPCI's GST portal. BBPOUs will have to maintain records of the counterparties for such transactions and ensure GST compliance.