

NPCI/IMPS/OC No.98 /2020-21

12th January, 2021

To,

All Members participating in various NPCI Products

Madam / Dear Sir,

Sub: Adherence to NPCI guidelines by members/participants

NPCI, an umbrella organization for retail payments system, has the responsibility to oversee the adherence to various guidelines of NPCI by the members/participants for all NPCI Products. It is also in the interest of the eco-system that the members/participants observe the rules and regulations set by NPCI through Procedural Guidelines (PG) and Operating Circulars (OC) to ensure that the eco-system runs on the same standards and principles of integrity and credibility.

With the continuous evolution and increased pace of development of payment landscape in the country including the participants leveraging the technological developments, and also the requirement to ensure safe, secure and efficient payment systems, it is incumbent on all participants to ensure strict adherence of the various NPCI guidelines.

NPCI shall ensure that the members/participants are adhering to PGs and OCs of all products of NPCI. Though such activity are presently monitored/tracked at our end and raised to participant concerned when issues are observed, there is no formal process of recording members/participants self-attestation confirming adherence to all NPCI guidelines and take corrective measures/actions for cases where continuous non-adherence is observed. Also, it becomes quite difficult to track the status and progress of non-compliance. The impact due to non-adherence by one participant that affects another participant or the customer need hardly be emphasized here. To address this gap, we are implementing the process of obtaining a self-attestation from members that they are complying with the NPCI guidelines. We attach herewith the **Annexure A** which covers responsibilities of members/participants and **Annexure B** which covers NPCI guidelines to be adhered as on date and will include any guidelines issued from time to time. We shall be obtaining a self-certification from each member/participants that they are adhering to such guidelines. A communication detailing the modalities of such certification shall be shared separately.

NPCI shall also be tracking from various reports, data, etc. to review that members/participants are adhering to the guidelines.

We have also set up Surveillance & Enforcement (S&E) Division within the Risk Management Department of NPCI to handle cases where non-compliance is observed so that proper remedial action can be taken. This will further maintain the smooth functioning of payment systems.

Please make a note of the contents herein and disseminate the information contained herein to the officials concerned.

Yours faithfully,

SD/-

Praveena Rai
Chief Operating Officer

Encl:

1. Annexure A - Responsibilities of Members/Participants
2. Annexure B - List of Compliance Documents Checklist

Annexure A

Responsibilities of Members / Participants

The responsibilities of the members/participants to various NPCI products are as follows:

- To comply with the on boarding & certification process.
- Adherence to the rules, regulations, instructions, etc. as per -
 - OCs issued by NPCI
 - PGs of NPCI
 - NPCI data specifications for sending/processing transactions
- Prepare master list of compliances applicable to various products in co-ordination with NPCI & ensure periodic review of the list.
- To monitor the adherence of regulations within the organization and take corrective steps in case of any deviation.

The following corrective steps shall be taken for any non-adherence to NPCI regulations.

Level 1

- Letter shall be issued to the members/participants against any deviation observed.

Letter may be issued based on the severity of the non-compliance advising the members/participants to explain why action cannot be taken on such members/participants for the non-compliance.

- Members/Participants shall provide response within 15 working days from the date of letter.
- If the response is acceptable, then the observation shall be closed at NPCI end.

Level 2

- If the response is not received within 15 working days or the response is not acceptable, then
 - Letter shall be issued addressed to the senior official of the members/participants.
 - Members/participants shall be given one to three months' time from the date of issuance of such letter to take remedial action based on the severity.

- If not remedied within the said time lines, the members/participants will be served with a notice for taking action by way of penalty.
- The penalty shall be imposed basis the severity of non-compliance (i.e. low/medium/high).

Level 3

- After imposing the penalty, if it is observed that the member/participant has not taken corrective steps or still not responded to NPCI letter, then the issue shall be escalated, as the case may be, to:-
 - Top management of the member/participants
 - Regulator (RBI)
- The member/participant shall be put under temporary suspension post the above activities with appropriate internal approval. The period of temporary suspension shall be based on the severity of the non-compliant event.
- The non-compliant member/participant shall be provided with suitable time to remedy the non-compliant event and it shall be monitored for closure. Post completion of initial temporary suspension period, confirmation shall be sought from the members/participants for the corrective steps taken at their end.
- In case member/participant has remedied the non-compliant event, the suspension shall be revoked after validating remedial measure taken by such member/participant.
- In case the member/participant has not remedied the non-compliant event, the suspension will be continued till such time it is not remedied.
- After considering the following factors, the case shall be taken up for permanent termination of membership for the product.
 - severity of the case
 - number of times the temporary suspension has been extended
 - failure to implement remedial measures during the suspension period
- In case the remedial measures are implemented by the member/participants, then the termination shall be put on hold and status of non-compliance shall be monitored. If status found to be compliant, then the case shall be closed.

Process for penal action

The penalty shall depend upon the severity of the non-compliance. The S&E Division shall assess each non-compliance by members/participants and classify the severity of such case as low/medium/high.

NPCI shall inform the member/participants the severity level for any one or more events of non-adherence to the NPCI guidelines. Based on the severity, the penalty shall be determined. In case proper explanation (acceptable to NPCI) is provided by the member/participant within the 30 days from the date of communication of imposing penalty, in such case, the penalty shall not be applicable. Any decision by NPCI, in this connection, shall be final and binding of such member/participant.

Annexure B

List of Compliance Documents Checklist

Sr. No	Name of the Document
1	OC 01 Revision of IMPS switching fee from 25ps to 10ps
2	OC 02 To create product awareness by advising member banks to organize workshops for their employees.
3	OC 03 Enablement of IMPS fund transfer through ATM and internet channels Facilitating Person to Merchant payments via IMPS for various use cases.
4	OC 04 Increasing limit for transactions which are not end to end encrypted for IMPS from Rs 1000 to Rs 5000 per customer per day
5	OC 05 Increasing limit for transactions which are end to end encrypted for IMPS.
6	OC 06 Amount limits on IMPS transactions initiated through alternate channels
7	OC 07 Restoration of IMPS charges from 10ps to 25ps effective 01-April-2012
8	OC 08 IMPS pricing model effective 16-04-2012
9	OC 09 IMPS pricing model effective 21-09-2012
10	OC 10 Implementation of Default MMID.
11	OC 11 IMPS best practices to be followed by banks for bring down technical declines. Downtime: Banks to carry out scheduled maintenance during non-peak hours on non-peak days. ISDN/Backup link testing: Banks to undertake testing frequently.
12	OC 12 Increasing the NDC limit of banks to 5 times of their collateral deposits to facilitate processing of large volumes and value of transactions
13	OC 13 Renaming of IMPS product from Interbank Mobile Payment service to Immediate Payment Service.
14	OC 14 Revision of debit adjustment TAT from 7 days to 5 days

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15	OC 15 IMPS pricing model
16	OC 16 Alternate transaction flow for IMPS P2M payments for low ticket size transaction of Rs 5000/- and below. Acquiring Bank to validate such transaction by capturing customer M-PIN instead of OTP via the IVR call.
17	OC 17 Discontinuation of mandatory MMID and mobile number details for IMPS transaction initiated via ATM and Internet channel.
18	OC 18 Enabling transactions without need for customer to enter MMID. Provision for customer to initiate transaction by selecting bank name or entering first 4 digits of IFSC code.
19	OC 19 Simplification of IFSC details. Provision for remitting customer to initiate transaction with just beneficiary account number and beneficiary bank name or first 4 digits of IFSC.
20	OC 20 M-PIN generation through phone banking or IVR to simplify customer on-boarding process for IMPS transactions.
21	OC 21 OTP generation through SMS or IVR for simplification of process.
22	OC 22 NPCI's directive to bank for dealing with: i. Frequent Time-out issues ii. Standardization of RRN to avoid duplication. iii. Member bank to populate the originating channel correctly.
23	OC 23 PPIs on merchant payment
24	OC 24 Capping single IMPS transaction at Rs 10 lakh to maintain the retail nature of the product.
25	OC 25 IMPS pricing model effective 24-07-2013
26	OC 26 Enablement for RRB's, UCB's and DCB's to join IMPS as a beneficiary bank.
27	OC 27 Multiple settlement cycles for IMPS
28	OC 28 Processing of Timed out transactions
29	OC 29 New reconciliation process for IMPS transactions

30	OC 30 IMPS pricing model for P2A transactions
31	OC 31 IMPS pricing model for P2M transactions
32	OC 32 Introduction of new IMPS use case: Usage of IMPS for credits to NRE/CASA accounts.
33	OC 33 Best practices for IMPS timeout transactions (RC-08)
34	OC 34 IMPS infrastructure benchmarking by member banks to handle 5 lakh transactions per day and 150 transactions per second
35	OC 35 Remitter Bank's/PPI's compliance on generation of VR for failure of an Original transaction.
36	OC 36 Extension of date for IMPS member bank infrastructure benchmarking as per member bank's request.
37	OC 37 Implementation of 3 settlement cycles in a day for IMPS.(1700-2300hrs) (2300-1200 hours) (1200-1700hrs) Daily limit to be refreshed at the cutoff time for respective settlement cycle.
38	OC 38 Extending IMPS facility to the customers via Bank branches Banks to mention "BRC" in the originating channel field for the transactions initiated via Branch.
39	OC 39 Elucidate the importance of daily reconciliation of IMPS transactions at Remitting and Beneficiary bank's end.
40	OC 40 IMPS member banks and PPI's to configure the full 11 digit IFSC code of the sub-member bank to their NBIN when sub-member bank goes live on IMPS to ensure transaction is routed to correct beneficiary.
41	OC 41 Standardization of NUUP (*99#) based mobile banking by moving from MMID as the banks identifier to IFSC as the identifier.
42	OC 42 Introduction of dedicated certification team for NUUP to facilitate banks to offer NUUP services as per desired timelines.
43	OC 43 Roll out of National Unified USSD Service (NUUP)
44	OC 44 Extend the operational excellence awards for all the NPCI products including IMPS. Classification of participation criteria for member banks.
45	OC 45 Revision in Timelines for IMPS chargeback process.

46	OC 46 For Deemed Approved transactions, Beneficiary Bank to mention the date of actual credits to the customer's account while updating TCC -103. This will enable the remitting banks to respond to their customer's complaints suitably.
47	OC 47 Enhancing customer service experience of IMPS: A. Beneficiary to contact beneficiary bank for timeout transactions. B. SMS facility for customers to contact beneficiary bank.
48	OC 48 Increasing the timer for 'Timeout transactions' between NPCI and Beneficiary Bank from 20 seconds to 30 seconds.
49	OC 49 Setting up a central infrastructure by way of enabling a helpdesk within NPCI premises for "IMPS and NUUP" product.
50	OC 50 Enabling NUUP service in other major languages.
51	OC 51 Introduction of MPIN management facility for existing Mobile banking customers through NUUP (*99#)
52	OC 52 Enabling Credit Card payments in IMPS through P2A (card number & IFSC code).
53	OC 53 Settlement Holidays for IMPS for the year 2015
54	OC 54 Change in membership criteria for launch of IMPS through channels other than Mobile channel
55	OC 55 Importance of mapping correct response code.
56	OC 56 Generation of Advice message by NPCI and discontinuation of Verification Request sent by the Remitting Bank.
57	OC 57 Implementation of Bank's short name as an alternative to access the NUUP service.
58	OC 58 Continuation of Verification Request (VR) for the bank which are not ready with the Advice Message functionality.
59	OC 59 Implementation of 4 settlement cycles from 3rd Aug, 2015. 1730-2300hrs 2300-1000hrs 1000-1400hrs 1400-1730hrs
60	OC 60 Directory of banks providing 'SMS' based transactions.

61	OC 61 Standardization of account statement narration for IMPS transactions.
62	OC 62 Revision of IMPS settlement cycles processed through RTGS for Saturdays of every month after RBI's directive on RTGS holiday for 2nd and 4th Saturdays of every month.
63	OC 63 Introduction of direct menu codes on NUUP (*99#)
64	OC 64 Increase in the Upper Cap per IMPS transaction to 5 Lacs & Corresponding Interchange & Switching fee effective 15.12.2015
65	OC 65 Penalty for delayed credits for Timed out transactions T+1
66	OC 66 Uniformity in IMPS settlements for Holidays. Proposal to pass separate settlement entry for each holiday instead of consolidated entry on next working day.
67	OC 67 IMPS back office migration from DMS to RGCS w.e.f 27th Feb, 2016
68	OC 68 IMPS promotional campaign for Bank of India
69	OC 69 Postponement of IMPS back office migration from DMS to RGCS
70	OC 70 RTGS holiday list 2016
71	OC 71 IMPS back office migration from DMS to RGCS w.e.f 3rd Apr, 2016
72	OC 72 Mandating Remitter and Beneficiary name and account number in IMPS P2A.
73	OC 73 Consultation paper of Telecom Regulatory Authority of India (TRAI) on the review of regulatory framework for the use of USSD for Mobile financial service.
74	OC 74 (A) Verification Request (VR) preceding Original Request (OR) (B) Implementation of two ports (one for remitting and one for beneficiary transactions)
75	OC 75 Change of production IP of RGCS for IMPS & UPI
76	OC 76 Process to handle Original Request (OR) and Verification Request (VR) messages for IMPS transactions by both Remitting bank and Beneficiary bank.
77	OC 77 Settlement process for late response by beneficiary banks for all IMPS timeout/deemed approved transactions to reduce the DA cases.
78	OC 78 Updated Response code list for IMPS.
79	OC 79 (A) Implementation of Deemed Approved process in UPI (B) Segregation of UPI and IMPS settlement.

80	OC 80 Discontinuation of P2M and M2P merchant payments using IMPS.
81	OC 81 Migration to Goods and Service Tax (GST) regime for daily IMPS settlement.
82	OC 82 Penalty for populating wrong NBIN/ Processing returns for valid accounts/ Updating TCC without crediting the customer's account.
83	OC 83 Discontinuation of Advice Message and reinstating Verification Request.
84	OC 84 i. Alignment of member bank switches towards IMPS online technical specifications. ii. Introduction of Bharat Online Switching Simulator (BOSS)
85	OC 85 Migration of "RGCS" system to "Bharat Clearing & Settlement (BCS-IMPS)" system from October 2018.
86	OC 86 Alignment of member bank switches towards IMPS online technical specifications.
87	OC 87 Migration of "RGCS" system to "Bharat Clearing & Settlement (BCS-IMPS)" system w.e.f 01st Dec, 2018.
88	OC 88 Updated Response code list for IMPS.
89	OC 89 Transaction routing in IMPS by populating correct NBIN.
90	OC 90 File exchange in back office system between NPCI and Banks via PGP encryption w.e.f, 15th Jun, 2019
91	OC 91 Delay in implementation of circular no 90.
92	OC 92 File exchange in back office system between NPCI and Banks via PGP encryption w.e.f, 31st Jul, 2019
93	OC 93 Harmonization of Turn Around Time (TAT) and customer compensation for failed transactions.
94	OC 94 Identification of customer segments in IMPS by introducing 2 additional MCC's for corporate initiated transactions.
95	OC 95 Implementation guidelines for IMPS vs 3.5
96	Procedural guidelines - constitution of SGF corpus through the arrangement of line of credit (90% of SGF) and remitter member bank(s) contribution (10% of SGF)
97	IMPS Procedural guidelines.
98	IMPS vs 3.5 technical specifications.