

## NPCI's Int'l Arm Signs Pact To Develop, Operate UAE's First National Domestic Card Scheme



Under the pact, NPCI International Payments Ltd will operate the scheme and provide fraud monitoring and data analysis support

The UAE will also establish an 'innovation fund' to support the payment systems of both the countries, drive R&D, foster capabilities, among others.

The Domestic Card Scheme aims to facilitate the growth of digital transactions in the UAE, bolster financial inclusion, shore up digitisation, reduce the cost of payments, among others

The international arm of the National Payments Corporation of India (NPCI) has signed an agreement with Al Etihad Payments (AEP) to accelerate the development of the UAE's first national Domestic Card Scheme (DCS).

It is pertinent to note that the AEP is a wholly-owned subsidiary of the Central Bank of the UAE (CBUAE). Under the pact, NPCI International Payments Ltd (NIPL) will operate the scheme and provide fraud monitoring and data analysis support to the company.

The NIPL was commissioned for the DCS initiative after an exhaustive selection process. As per the NPCI, the payments corporation was selected based on its ability to build an integrated financial infrastructure that meet the

needs of both customers and merchants.

“... Together, we will work on building, implementing, and operationalising the UAE’s National Domestic Card Scheme. This partnership aligns perfectly with (the) NIPL’s global mission to offer our knowledge and expertise to assist other countries in establishing their own cost effective and secure payment services,” NIPL chief executive officer Ritesh Shukla said.

As part of this, the UAE authorities also underlined their intention to establish an ‘innovation fund’ to support the payment systems of both India and the UAE, drive research and development (R&D), among others.

Commenting on the development, AEP chairman and senior CBUAE official Saif Al Dhaheri said, “... We are... confident that we have chosen the ideal partners to accomplish this venture with. We also look forward to establishing an innovation fund that will look to support the payment systems of India and the UAE, drive R&D, and foster the capabilities of UAE citizens to ensure their effective management of the DCS.”

The agreement was signed between Al Dhaheri and NPCI CEO and managing director Dilip Asbe during an event in Abu Dhabi.

The NPCI will lead the CBUAE’s efforts to accelerate the digital transformation of UAE’s financial sector and bolster digital payments in the country. The DCS is part of the UAE’s Financial Infrastructure Transformation (FIT) programme and is slated for an early 2024 launch.

The DCS aims to facilitate the growth of ecommerce and digital transactions in the UAE, bolster financial inclusion, shore up digitisation, increase alternative payment options, reduce the cost of payments, among others. On the other hand, the AEP aims to implement an ‘innovative, interoperable, and enabling payments infrastructure’. The closest Indian equivalent of that would be homegrown unified payments interface (UPI).

This comes days after India and the UAE signed an MoU in the fields of industries and advanced technologies.

The development comes at a time when India has left no stone unturned to pitch its indigenous payments stack to the world. At the recently-concluded Global Fintech Fest 2023 and the G20 Summit, [Indian officials pitched UPI, card network RuPay](#) and digital public goods infrastructure to attendees from across the globe.

Meanwhile, UPI continues to scale up as the [digital payments network recently notched up its second consecutive month of more than 1,000 Cr transactions](#) in September 2023. During the month, UPI processed 1,056 Cr transactions worth INR 15.8 Lakh Cr.