

NPCI e-Newsletter

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From the MD & CEO's desk



Dear Payment System enthusiasts,

NPCI is slowly emerging as a key financial market infrastructure in the country. In all areas of retail payment system, NPCI has been playing a key role. Bulk of the inter-bank ATM transactions is now taking place through National Financial Switch, which is the flagship service of NPCI. With migration of almost all centres under Northern Grid to Cheque Truncation system, nearly 80 per cent cheque volume is also being routed through NPCI. In card payment system, RuPay has now gathered a critical number in terms of issuance (nearly 20 million cards issued by 250+ banks) and acceptance (100 % ATMs, nearly 97% POS terminals and nearly 60% eCommerce sites). Cards of Platinum variant have also been launched by two banks (Canara Bank and HDFC Bank). Prepaid cards have been issued by one bank (Kotak Mahindra Bank).

Agreements have been signed with all the 12 telecom companies for launching USSD based mobile banking service. Membership of IMPS has grown to 63 banks and 6 pre-Paid Issuers (PPIs)

Our Fraud Risk Monitoring (FRM) Division has been strengthened. Our FRM team is now monitoring the transactions 24x7 real time. On a number of occasions, our alerts have helped banks detecting/ minimising/ avoiding the incidence of fraud.

Journey has started to play a much bigger role in payment system development in the country in the days ahead.

A P Hota

PNB becomes the first bank to offer foreign remittance through IMPS



Punjab National Bank (PNB) along with its US based partner Xoom Corporation has launched an instant remittance service, from US to India, using IMPS on June 17 at New Delhi. PNB launched this unique service during an event, which was attended by noted dignitaries including Shri K R Kamath, CMD, PNB, Shri John Kunze, CEO & President, Xoom Corporation and Shri A P Hota.

NPCI signs MoU with 13 Telecom players for USSD based IMPS

NPCI has entered into an agreement with all 13 TSPs. Immediate Payment Service (IMPS) member banks, currently live on National Unified USSD platform (NUUP), would be able to provide mobile banking service by dialling a common service code *99#. This service is expected to become a key catalyst for financial inclusion. After a series of discussions amongst all ecosystem players, the service is set for a national roll-out with all the TSPs and leading banks shortly.

NPCI & NABARD join hands to train RRBs for payment systems.

An awareness & training program was jointly conducted by NPCI and NABARD for RRBs to give an overview on payment systems in the country and its growth path. The program, conducted at the Bankers Institute of Rural Development, Lucknow, during two-day program June 16-17, was aimed at training the RRB officials on the procedural guidelines for various electronic payment products.

IMPS ropes in KGSGB as first RRB bank to go live

Varanasi-based Kashi Gomati Samyut Gramin Bank (KGSGB) becomes the first regional rural bank (RRB) to go Live on IMPS. The bank dedicated this new service to its customers during an event held on June 09 in Varanasi. Shri Arun Tiwari, CMD, Union Bank of India (the sponsor bank for KGSGB) launched the service in the presence of senior bankers, which was attended by more than 4000 people. Also, Pandharpur Merchant Cooperative Bank has become the first bank in co-operative sector to go live as IMPS sub-member.



Abhyudaya Cooperative Bank launches RuPay Debit card on 50th Foundation Day

Abhyudaya Cooperative Bank has launched RuPay Debit card during its 50th Foundation Day held on June 25 at Mumbai. The bank has launched eKYC and eSBTR (electronic Secure Bank & Treasury Receipt) services to its customers during this launch event.



IOB, Canara and IDBI join RuPay eCommerce, accepts 14,000 sites

Indian Overseas Bank, Canara Bank and IDBI have been certified on RuPay ecommerce. With these additions, RuPay is now eComm enabled for 8 banks including Bank of India, Bank of Baroda, Union Bank of India, State Bank group and Cosmos Bank. On the acceptance side, a large number of sites have started accepting RuPay cards. With ICICI Merchant Services and HDFC going live with RuPay, the domestic card is now accepted at over 14000 websites.

NACH credit crosses 5 Million transactions, records 2 Million in single day

NACH Credit recorded the highest single day volume of 2 million transactions processed on June 19

and also crossed the monthly volume of 5 million transactions during June. One of the biggest dividend pay-outs processed on NACH Credit was Reliance Industries by SBI.

NACH Debit peaks to 100 banks, boosts NACH platform to 400 plus

Continuing on its path of crossing new milestones and raising benchmark, NACH Team has recorded yet another achievement to bask about. The month of June was quite an eventful period for NACH Team with NACH Debit system crossing 100 member banks, thereby taking the total number of unique banks participating on NACH platform to 400+.

Canara Bank launches RuPay Platinum Debit Card, offers insurance & merchant discounts

Canara Bank becomes the first bank to launch RuPay Platinum Debit card at an event held in bank's headquarter, in Bangalore, on June 18. Besides offering regular



features, Platinum card offers – 2 lakh of insurance cover on personal accident, lounge access, concierge services and discounts at select merchant outlets. Launching this

unique card, Shri R K Dubey, CMD, Canara Bank, accepted the first card handed over to him by Shri Dilip Asbe, COO, NPCI. Subsequently, NPCI employees have been issued with

Platinum card by HDFC Bank. Thus, there are now two banks issuing RuPay Platinum card

NFS held 10th User Group Meeting, highlights VAS on ATMs & Risk mitigation measures

National Financial Switch (NFS), the ATM-switching system of the country, successfully held its 10th User Group Meeting on June 13th at Mumbai, which was attended by over 220 representatives from banks, service providers, white label ATM operators, EFT switch vendors and senior officials from payment domain. The Guest of honour for the event was Shri B. Sambamurthy, Shri. K. Ramachandran – CTO, SBI.



Director, IDRBT and it was also attended by Smt Charulatha S Kar – GM, DPSS RBI as special invitee. The meeting was graced by dignitaries like Dr. A. M. Pedgaonkar – Advisor, IBA, Shri. S. K. Mohanty – GM, PNB & NPCI Board Member and

NPCI & UBI organizes e-BAAT program for electronic payment products



NPCI and Union Bank of India have jointly organized e-BAAT program on June 10th at Varanasi to discuss usefulness of electronic banking products and services for participants. The program was intended to create awareness among different target groups on usage of electronic banking products, delivery channels and its security aspects.

CTS kick-starts First User Group Meeting

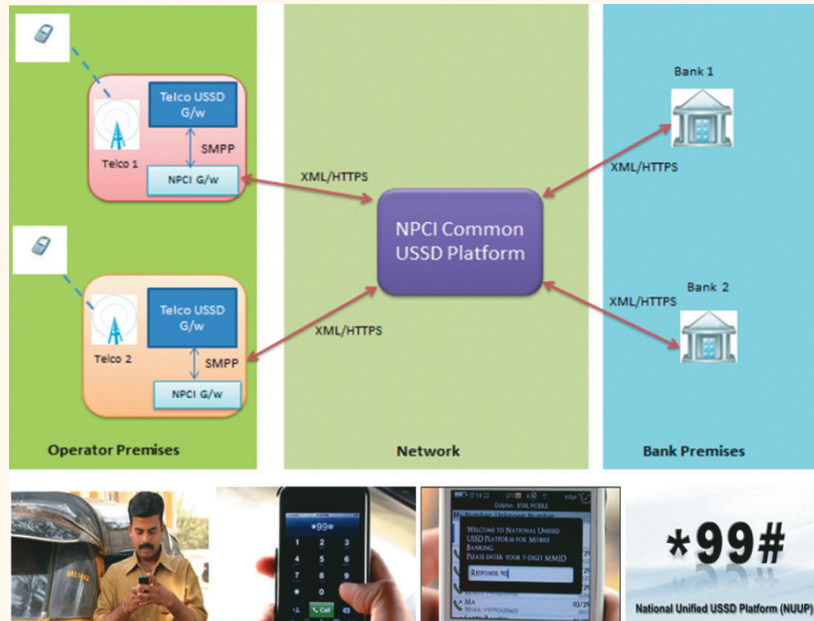
The first User Group Meeting for Western Grid Cheque Truncation System (CTS) was held on June 13 at Mumbai. Shri S Ramaswamy, Regional Director, RBI, inaugurated the meeting and delivered the keynote address. More than 250 bank officials participated in the meet and expressed their challenges and opportunities in respective regions.



NPCI introduces 'Employee of the Month' scheme to recognize extraordinary talent

Recognizing its talent pool that is constantly driving the mission of the company, NPCI is proud to introduce 'Employee of the Month' scheme in June. Ms Jyoti Jadhav, a RuPay team member, is declared the first winner of the scheme. Ms Jadhav has strenuously worked in the month of May to enable 12 cooperative banks as member/sub member under RuPay and NFS system. The initiative is aimed towards motivating the efforts of employees, who are creating benchmarks through their constant efforts.

National Unified USSD Platform (NUUP):



Taking the banking / financial service to every Indian has always been the endeavor of the entire financial sector ecosystem. Though various efforts have been made in this regard and there are visible signs of enhanced financial inclusion, still there is a lot that needs to be done.

The major obstacle in spreading the financial inclusion reach has been the complexity that India as a country offered. With issues, not only at the service provider levels, such as high delivery cost, unviable business proposition etc, but also at the consumer end, such as low awareness level or diverse economic condition etc, has always made the dream of taking financial service to all Indians as a difficult task to accomplish. Though difficult, but this is not an impossible task to accomplish, but it will require an approach that moves beyond the traditional approach. Mobile banking is certainly one such "non-conventional" approach. Today, mobile phones have become a household device in India. With over 900 mn mobile phones connection, telecom service has the reach that is unparalleled for any consumer service in

India and what is of significance; mobile phones can be used for providing banking service.

Mobile banking service can be initiated using SMS – an unencrypted service, considered unsafe – or using mobile banking app. Though very interactive, the major problem with mobile banking apps is that these need to be downloaded and installed on the mobile phone. Less than 40 % of Indian users have compatible J2ME handsets and GPRS connection on their mobile phone, as required by this system.

These aforesaid issues can be resolved through an alternative solution on USSD platform. Customers can avail USSD solution through any mobile phone on GSM network, irrespective of make and model of the phone. This does not require any application to be downloaded on customer's mobile phone and need for GPRS connectivity. USSD works on user-friendly so it is easy to communicate and educate customers as well. USSD alleviates the need for application down load and is more secure than SMS channel.

Envisioning the potential of Mobile Banking and

Immediate Payments Service (IMPS) in acceleration of financial deepening, NPCI has set up National Unified USSD Platform (NUUP). Banking customers can use this service by dialing *99#, a “Common number across all Telecom Service Providers(TSPs)”, on their mobile and transact through an interactive menu displayed on the mobile screen.

Key benefits of NUUP service:

- Works across all GSM handsets
- Supports menu-based applications facilitating more user interactions, easier adoption as Mobile Application installation not required
- Additional channel for Banking. Mobile phones have high penetration, so it could be an important tool for financial Inclusion.
- GPRS is not required – works on voice connectivity
- Easier promotion of one Common Code *99#
- USSD services available on the home network are also accessible while roaming
- USSD channel is secure and available wherever GSM mobile phones provide voice connectivity; uses two factor authentications consisting of CLI of customer’s phone and a PIN entered by the customer, thus compromise of details (since mobile phones are generally shared in rural areas) which can happen through SMS can be avoided.

Using *99#, a customer will be able to access both financial as well as non-financial service, at his / her own convenience. What is more, NUUP will make the user less dependent on the traditional channels and will attract more users in the banking fold.

Key services that NUUP will offer include, interbank account to account fund transfer, balance enquiry, mini statement besides host of other services. A notable inclusion in the NNUP service is a new

addition in the form of Query Service on Aadhaar Mapper (QSAM). Under this feature a user can come to know about his/her AADHAAR seeding status with the banks, a service that will find tremendous utility for the government’s direct subsidy disbursements program.

NUUP which was passive for some time is now on its way to become a key catalyst for financial inclusion. After a series of discussions amongst all the ecosystem players, the service is set for a national roll-out with all the TSPs and leading banks soon. On behalf of the banks, NPCI has entered into agreement with all the TSPs (13 in number). These TSPs include key players such as Airtel, Vodafone, Tata, Reliance, MTNL & BSNL. Besides the existing 29 banks that are currently live on NUUP, all IMPs member banks are keen to join the NUUP revolution.

The new-age NUUP service will come with new features, such as using beneficiary’s account no+ IFSC and AADHAAR number as new options for fund transfer besides the existing option of mobile number +MMID. Also in order to help member banks to promote this service more effectively & to bring about consumer convenience, the concept of multi-modal service has been worked out. Consumer will have to pay reasonable charges for using NUUP to their TSPs. Currently, TRAI has put a ceiling of ₹1.50 towards the usage of NUUP service.