

NPCI e-Newsletter

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From the MD & CEO's desk



NPCI has been growing from strength to strength. The daily average transactions on ATM has now crossed 8 million. With CTS Western Grid implementation nearing completion, daily CTS volume on NPCI platform is now 3.5 million. Volume of RuPay POS and eCommerce transactions are also on the rise. ACH, IMPS, AEPS, eKYC transactions are catching momentum. Thus, NPCI is now a large transaction processing company with more than 14 million transactions a day. We are building capacity to process 100 million a day by 2020.

“With Great Power comes Great responsibility”. We, at NPCI, are fully conscious of the same. We know that we need to process with zero down time and 100% availability of our systems. Barring the times of quarterly Disaster Recovery drill, our systems are ready all the time. We are improving our delivery capability on a continuous basis. We are investing a lot of time and energy in keeping the systems safe and secure. We are now certified for three standards – PCI-DSS (sensitive data security in payment systems), ISO27001 (information security) and ISO 22301 (business continuity) apart from ISO 9001 (Quality Management)

Please expect nothing but the best from NPCI.

With best wishes for summer months.

A P Hota

NPCI completes CTS National Archival Project ahead of timeline



NPCI has implemented CTS National Archival Project to set up a host to store the images, reports and metadata

from all 3 Grid sites. It will enable banks to retrieve this archived data/images/reports through online access or offline for bulk retrieval of data/images/reports. Under this project, NPCI has set up a complete new infrastructure at Hyderabad making it primary site for the Archives and upgraded CTS archive setup at Mumbai as Disaster Recover site.

Both phases I & II were completed well ahead of the initial estimated time line of April 30th, 2014. Banks will be able to do online access using the NPCInet connectivity or by using the internet. However, request will be taken from banks and output will be shared via CD media in case of offline for bulk image/report retrieval.

ATM customer awareness campaign on Facebook

NPCI's 'Customer Awareness Campaign' has become a major hit with having a fan base of over 50,000 since it has been launched in March 14. The campaign is initiated by NFS to educate cardholders on safety tips to be followed while transacting at the ATM. The campaign is directed at mitigating ATM frauds and making the end-customers aware of their rights and responsibilities. An exclusive page has been created on Facebook (<https://www.facebook.com/NPCI.NFS>) where posts are shared on a daily basis to convey safety tips to be followed while transacting at any ATM.



Liking/commenting/ viewing and other activities are regularly shared by viewers/visitors on the page, thus creating awareness.

SBI partners with NPCI to provide eKYC service in 15,000 bank branches

State Bank of India has started availing of eKYC gateway service of NPCI. This service is being rolled out at SBI's 15,000 branches in the country. Reliance General Life Insurance has also gone live on eKYC. NPCI is now live with seven banks and two non-bank entities covering about 30,000+ branches. The NPCI eKYC platform has also been the partner of choice for the Pre-Paid Instrument

issuers, who have been identified by the Reserve Bank of India to enable cash out transactions using Aadhaar authentication. Demographic certifications for Axis Bank and Indusind Bank have been completed. Andhra Bank becomes the first bank on the NPCI platform to 'Live' on kiosk for all of our AEPS offerings.

NPCI participates in Techcircle Payments Forum 2014

NPCI senior team participated in 'Techcircle Payments Forum 2014' held in Mumbai, where they shared expertise & industry-knowledge of payments system including - Charting high volume growth of transactions using online, card, inter-bank, mobile and other structured payment systems in India. A P Hota, CEO of NPCI, delivered a special address at the forum.



NPCI now falls under Section 8 of Companies Act, 2013

The Companies Act, 2013, has been enacted on 12th September, 2013 and almost all major sections have been notified by 1st April, 2014. NPCI as a 'Not for Profit' Company which had been incorporated under Section 25 of the Companies Act, 1956, will now fall under Section 8 of the Companies Act, 2013.

NPCI delivers keynote at 'Cards & ePayments Settlements Forum'



NPCI top team participated in Cards & ePayments Settlements Forum held at Mumbai on April 30, to talk on effective implementations that address issues pertaining to cards payments. Addressing

a huge gathering of card payment professionals, A P Hota stressed on effective processes and solutions that guarantee safety, speed and ease of administration- 24x7, downtime management and lowered TCO in cards, ePayments & settlements ecosystems.

APB processes MNREGS payment, NACH adds 14 new banks

Ministry of Rural Development has started processing of MNREGS transactions on Aadhaar Payment Bridge, a major component of National Automated Clearing System (NACH), for Karnataka state in April 2014. APB has added 14 new banks under its network and expanding its base. NACH processed 4.7 million transactions during this period. However, NACH credit has inducted 12 new banks and over 3.6 million transactions processed under its system. NACH Debit has witnessed addition of 2 banks during the same month.

NPCI partners with BTI Payments to provide ATM services

BTI Payments, the new White Label ATMs service providing in the country which aims at setting up of 9,000 ATMs in three years' time, has joined NPCI as the 4th WLA member in the NFS network. The first ATM of BTI was inaugurated at Gubbi, in Tumkur district of Karnataka. The WLA initiative of the Reserve Bank of India envisions increased access of financial services to under-served markets and segments. Currently, four WLA providers are generating nearly 80,000 transactions a day.



Bassein Catholic Co-op Bank launches RuPay Debit Card

Bassein Catholic Co-op Bank Ltd, Vasai, launched 'RuPay' debit card & e-franking facility at an event in Lokseval Hall Bangli. During the launch, Shri Domnic D'mello, chairman of the bank, Shri AP Hota and other bank officials were present. The bank had issued RuPay ATM only card a year back and based on the response from the customers, decided to go for Debit Card. The bank is in the process of getting certified for eCommerce as well and plans to issue RuPay International card as quickly as possible.



RuPay eCommerce goes Live on HDFC Bank, volumes up to 4,000 Txns

RuPay eCommerce has achieved one more milestone with HDFC bank going live for RuPay acceptance with their online merchants today. RuPay card transactions has been witnessing phenomenal surge since June 2013, with volumes crossing ₹14 Lakh from 4000+ transactions in April 2014.

NPCI introduces Card to Card Fund Transfer in NFS

NPCI has introduced Card to Card Fund transfer as the latest Value Added Service in the NFS ATM Network. This service has been piloted with Union Bank of India & Andhra Bank, and is currently offered by Yes Bank as well. Key feature of card to card fund transfer is instant credit to Beneficiary's Account on the basis of beneficiary's ATM/Debit Card number.

IMPS crosses 3 Million transactions, adds UAE as new PPI member

After crossing the first milestone of achieving 1 million interbank transactions in September 2013, Immediate Payment Service (IMPS) has crossed another by crossing 3 million inter-bank transactions in April

2014. Membership and usage have also growing substantially. During the month, UAE Exchange, a pre-paid Issuer (PPI), has joined NPCI as the 6th PPI taking the membership strength to 60 banks and 6 PPIs. Daily average volume is now 1,50,000+.

NPCI presents initiatives at Global Fraud & Risk Summit 2014, Vienna

NPCI's Head - Risk officer participated in 'Global Fraud & Risk summit', organized at Vienna, Austria on April 1 & 2, 2014, to share card fraud trend in India and initiatives implemented by NPCI. The event was organized by NPCI's global partner - Discover Financial Services. The participants appreciated the work done by NPCI that is working on Fraud Risk Monitoring services and providing analytical services to member banks to mitigate risk.

Fraud Risks publishes analytics and solutions report

Fraud Risk Management unit has started publishing monthly fraud analytics dashboard highlighting latest fraud trends, Network level as well as Bank level Fraud risk and FRM solution related key indicators. This is part of our effort to share latest fraud trends to member banks so that member banks can take appropriate mitigating controls to address it.



Background:

Reserve Bank of India (RBI), after setting up of the Board for Payment and Settlement Systems in 2005 released a vision document incorporating a proposal to set up an umbrella institution for all the retail payment systems in the country. The core objective was to consolidate and integrate multiple systems with varying service levels into nation-wide uniform and standard business process for all retail payment systems. This led to the formation of National Payments Corporation of India (NPCI).

RuPay, a card payment scheme launched by NPCI, has been conceived to fulfill RBI's vision to offer a domestic, open-loop, multilateral system which will allow all Indian banks and financial institutions in India to participate in electronic payments.

"RuPay", the word itself has a sense of nationality in it. "RuPay" is the coinage of two terms Rupee and Payment. The RuPay visual identity is a modern and dynamic unit. The orange and green arrows indicate a nation on the move and a service that matches its pace. The color blue stands for the feeling of tranquility which is the people must get while owning a card of the brand 'RuPay'. The bold and unique typeface grants solidity to the whole unit and symbolizes a stable entity.

RuPay Card Scheme was formally launched on March 26, 2012 along with the 5 Banks i.e. State Bank of India, Bank of India, Union Bank of India, Axis Bank and Bank of Baroda under pilot.

The Indian market offers huge potential for cards penetration despite the challenges. RuPay Cards will address the needs of Indian consumers, merchants and banks. The benefits of RuPay debit card are the flexibility of the product platform, high levels of acceptance and the strength of the RuPay brand-all of which will contribute to an increased product experience.

RuPay card scheme is an attempt at enablement of the country to process retail card payment transactions as presently over 95% of transactions on the cards issued in India happen within the country.

RuPay Benefits:

- RuPay card scheme enables banks across the country to issue RuPay debit cards to its customers. Enables a larger segment of the population to participate in electronic payments
- It offers payment options across channels i.e. ATM / POS / e-commerce as well as Aadhaar based transactions at micro ATMs.
- Banks benefit from a robust card scheme designed keeping in mind the challenges in the existing card schemes and at an affordable cost.
- Banks play a key role in defining the functioning of the scheme and are an integral part of decision making due to the collaborative approach taken by RuPay. Most bank staff is representatives to the various committees constituted by RuPay.
- The existing Acceptance infrastructure has been enabled to accept the RuPay cards instead of creating a parallel infrastructure.
- RuPay cards have been enabled for e-commerce transactions using the PaySecure technology whereby development by banks is bare minimum and from customers perspective the ATM PIN itself is used for authentication instead of remembering additional passwords.



RuPay Advantages over its Peers:

- All transactions under RuPay card scheme are processed within the country.
- PIN is mandatory for performing any kind of transactions using the card. Keeping in mind the fraud ecosystem, the product right from the beginning had cardholder's financial security in mind. The approach has been perfectly endorsed by RBI mandate on second factor authentication for all transactions on debit cards.
- The scheme is inclusive and its rules and regulations are common across all participants.
- RuPay pricing is simple, transparent and highly competitive.
- RuPay Teams work very closely with banks in helping them in the onboarding exercise by working in all areas such as documentation, certification, product design, technological and operational areas. All these features make RuPay different and more deserving.