

NPCI/UPI/OC No. 03/2016-17

To

All Member Banks; Unified Payments Interface (UPI)

Dear Sir / Madam,

Subject: Daily reconciliation of UPI Transactions

We wish to draw your attention to the Closed User Group testing of UPI that NPCI has been conducting with the support of member banks, since the announcement of Technical launch on the 11th of April 2016.

2. We now see significant transactions initiated from the PSP Apps across member banks, which include onus transactions, 2 party, 3 party & 4 party models. NPCI has also been carrying out inter bank settlements of these transactions and sharing the Raw Files and Settlement reports with member banks for reconciliation of UPI transactions at their end.
3. NPCI is soon going live for Public with the UPI product with member banks, where the UPI Applications of PSPs shall be available on Play Store and can be availed by Public at large.
4. We wish to reiterate that UPI as a product, has an involvement of upto 4 entities and the daily (4 times) interbank settlement warrants that funds be settled between the Initiating and the Recipient banks. Likewise there is a fee component for the PSP as per the pricing matrix and hence the reconciliation of all payables & receivables, including the funds and fee is a critical component for banks participating in UPI.
5. We advise to implement automated recon process for seamless reconciliation. The daily recon process at banks helps to identify customer service issues, frauds, system issues and this has been seen evidently in other payment system operated by NPCI.
6. Please refer operating & settlement guidelines version-1.0 for details.

You may please make a note of the above and disseminate the information contained herein to all officials concerned to set up the daily recon process.

For any queries or clarification, please contact:

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We wish to hereby advise that member banks participating in UPI should carry out daily automated reconciliation and arrange for settling of funds accordingly at the earliest.

Yours faithfully,

Dilip Asbe
Chief Operating Officer