

To,

All Members of Unified Payments Interface (UPI)

Dear Sir / Madam,

Sub: UPI – RRC “Refund/Return Reversal Confirmation”

Objective: Objective of this circular is to explain handling and controls to be built for credit adjustments/returns by the customer banks.

We have observed that Remitting/issuing banks are not reversing their customer’s account even after receiving the credit adjustments / returns from beneficiary/acquiring banks. In such case, customers are getting out of fund for many day and further those transactions are resulting in customer complaints. This matter has been deliberated in the UPI Steering Committee Meeting (SCM) held on 12th May 2017. After detailed deliberation, SCM has approved implementing the below defined process i.e. **“Refund/Return Reversal Confirmation – RRC”** in RGCS for credit adjustments & returns by the customer banks.

Process:

Customer banks (Remitting/Issuing Banks should download all the credit adjustments (received for approved transactions) & returns (received for deemed approved transactions) which are raised by the beneficiary/acquiring banks in RGCS on T+1 working day and initiate credits to the respective customers in CBS. Please check and ensure there is a debit present in CBS before processing the reversal credit to the customer account.

Once the reversals are successfully processed in CBS, only then the customer banks should confirm the status in RGCS with status as RRC adjustment flag and reason code 501 (please refer below RRC rules table for more details).

The aforesaid process will help in getting the funds in to the customer’s account latest by T+2 working day and thereby result in reduction of customer complaints.

Penalty: The aforesaid issues were discussed and penalty of Rs.25 + GST for any aberration to the above process was approved by SCM in the meeting held on 12-05-2017.

Applicability: The above penalty is *applicable for UPI approved & deemed approved transactions (Pay, Collect & Merchant transactions).*

RRC Rules:

Description	Remarks
Adjustment Type	RRC - Refund Reversal Confirmation
RRC is allowed on	Credit Adjustment & Returns (i.e. RC-00 & RB TXNs)
Applicable for (Txn – Types)	UC-UU-U3 & U2
Who will raise RRC	<ul style="list-style-type: none"> • Issuing Bank – For U2 • Remitting bank - For UC-UU & U3 TXNs
Who will receive RRC	<ul style="list-style-type: none"> • Acquiring (Merchant Bank) -For U2 TXNs • Beneficiary Bank -For UC-UU & U3 TXNs • PSPs – For all TXNs • NPCI – For all TXNs
TAT for raising RRC	Adjustment raised date (A) : A+1 working day
Fund Movement	Non- Financial (This is only acknowledgement)
Adjustment Flag for front end /bulk upload	RRC
Reason Codes	501
Penalty (If RRC is not updated by the Remitting/issuing bank in RGCS on A+1 working day)	Rs.25 + GST
Penalty Movement	<ul style="list-style-type: none"> • Issuing Bank to Acquiring Bank (For Merchant TXNs – U2) • Remitting bank to Beneficiary bank (for Pay & Collect TXNs UC,UU & U3)
Response code allowed on	RC-00 & RB
Applicable for TXN -Types	UC-UU-U3 & U2
Bulk Upload format	Same as existing .CSV file format of TCC/ RET (please use appropriate adjustment flag & reason code for raising RRC)

Effective Date: The penalty, as aforesaid, will be implemented with effect from 20th Nov., 2017.

All members are requested to take a note of the above and ensure to put in place proper process so as to ensure compliance to NPCI guidelines of handling credit adjustments & returns. Kindly disseminate the information contained herein to the officials concerned.

For any further clarification please contact the following official:-

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Yours faithfully,