

To,

All Member Banks - Unified Payments Interface (UPI)

Dear Sir/Madam,

Subject: Change in cutover cycles in UPI - (w.e.f - 28th January 2019)

NPCI implemented the process of four settlements for UPI effective December 2016.

- 1) NPCI cuts over the transactions for the 4th settlement cycle during the weekdays at 17:30 hours at present and funds settlement for this cutover are completed as per the settlement processing in RBI RTGS system on the same day. In cases of public holidays and RTGS holidays, NPCI carries out fund settlement/s on the next working day.
- 2) Volumes in UPI have seen significant growth in the recent past. We have also received inputs from members with regard to few delays observed in the settlement timelines for 4th cycle. The transaction cut-over for 4th cycle being 17:30 hrs and in view of the exponential growth in the transaction volume, the back office system generating settlement files have taken more time for the 4th cycle.
- 3) In order to bring in further efficiencies in settlement process, we herewith advise change in the transaction cutover for the settlement cycles in UPI as per the below table so that settlement processing are carried out on the same day (except on Sundays and RTGS holidays, where the settlement will be processed on next working day):

Description	1 st Cycle	2 nd Cycle	3 rd Cycle	4 th Cycle
Existing Cut-over (in HH:MM:SS)	(17:30:01 - 23:00:00)	(23:00:01 - 10:00:00)	(10:00:01 - 14:00:00)	(14:00:01 - 17:30:00)
Proposed Cut-over (in HH:MM:SS)	(16:00:01 - 23:00:00)	(23:00:01 - 09:00:00)	(09:00:01 - 13:00:00)	(13:00:01 - 16:00:00)
Settlement processing in RTGS	Next working day	Same day	Same day	Same day

- 4) NPCI shall continue to create the settlement files over the week-end where RTGS is not available and post settlements on the next working day.
- 5) May we submit that NPCI is in the process of migrating to a new back office system for UPI which has enhanced processing capability. We expect the new back office

system to go live by April 2019. Post migrating to the new system, we shall restore the settlement cycles to the existing timeframes besides introducing additional settlement cycles.

6) Please note that this change shall be effective from 28th of January 2019.

In addition to the above, we wish to highlight that NPCI shall be providing four raw files and DSR reports with a single RTGS posting in case of 2nd & 4th Saturdays, Sundays and other RTGS holidays. This shall be effective from the settlements of 28th of January 2019 as indicated vide our earlier email communication in this regard.

Please take a note of the above and disseminate the contents of this circular to the notice of all relevant staff.

For any queries or clarification, please contact:

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Yours faithfully,

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