

NPCI/UPI/OC No. 96/2020-21

28th September 2020

To,

All Member Banks - Unified Payments Interface

Dear Sir/Madam

UPI Merchant Ecosystem Enhancements & Introduction of B2B as a Separate Category

UPI has already emerged as a popular payment mode amongst masses. The Product possesses flexibilities to deepen and emerge as popular and preferred payment mode among Businesses/Merchants. During Covid-19, It was observed that Businesses/Merchants need seamless platform to do contactless value chain payments such as supplier payments, Vendor payments etc. To achieve this vision, UPI Steering Committee endorsed UPI business to business transactions as a separate category within UPI ecosystem. This category will be in addition to other three existing categories P2P, P2M, and P2PM.

1. B2B Receipts

Defined below is the guideline for enabling B2B in the UPI ecosystem

- a. B2B transactions will be attributed with Purpose Code – 20, by Payee PSP
- b. Payee should be an Entity with Non-Zero MCC
- c. Currently, B2B entities will be considered at par with Verified Merchants operating with the same guidelines as per OC 82
- d. PSP banks to ensure adequate due diligence for onboarding B2B entities

Collections such as Credit Card Payments, Loan Repayments, and EMI Collection would be outside the scope of B2B Category, & will continue to fall under MCC 7322, as per OC 82.

2. B2B Payments

To facilitate B2B payment transactions, Merchant apps can convert into UPI apps to onboard

customers on the UPI platform and provide provision to Pay via UPI. All compliances as applicable to UPI and TPAP apps will be applicable.

3. Merchant UPI ID

Merchant UPI IDs have been found to be complex, and the merchant is not aware of the UPI ID. PSP Banks to ensure below guidelines are followed for creating Merchants/Businesses UPI ID's, effective 1st Nov 2020.

- a. UPI ID should be simple, memorable & relatable
- b. Merchant to be made aware of the merchant UPI ID through due communication and notification
- c. UPI ID should be distinctly visible in application landing page, and visible along with the merchant UPI QR in the application.

4. Merchant Bank Account Provisioning

Banks, PSPs & UPI apps, should show both Savings & Current Account provisioning in UPI List Account API. Banks live on Overdraft should provision Overdraft Accounts.

All the points in the circular would be effective 1st, November 2020.

Yours Truly,

SD/-

Praveena Rai

Chief Operating Officer

National Payments Corporation of India

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