

NPCI/UPI/OC No.80 /2019 -2020

February 28, 2020

To,

All Member Banks- Unified Payments Interface (UPI)

Dear Sir/Madam,

**Sub: Third party validation API using PAN in UPI**

## I. Background:

Securities and Exchange Board of India (SEBI) has introduced UPI as a payment option for public issues vide their SEBI Circular no. *SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018* and has also mandated that customers have to use their own bank account while making an application.

As PAN acts as an identifier in the Capital markets, SEBI has therefore requested NPCI to build in a PAN validation in the UPI process. Through the process customer's PAN (entered in the bid platform and validated with the depositories) has to be validated with PAN in the customer's bank account in order to reject applications made using third party accounts.

We have implemented account validation (AV) as an option in UPI wherein the PAN as provided by the customer to any Regulated Entity as part of KYC is captured in UPI through the acquiring bank and the same is validated against the records as available in the Core Banking System (CBS) of banks and provided in response.

## II. Process flow (Using PAN as a Validator)

The objective is to provide an online mechanism of validating the PAN and Account linkages, inputting the recipient PAN details as an additional input along with account number and IFSC or UPI id. In response, the recipient PAN and the account details are matched against the customers' bank account and shall accordingly pass a suitable flag in response (Success or Failure - the scenarios are Annexed)

Members are requested to implement this before **2<sup>nd</sup> March, 2020**.

Yours faithfully,

Dilip Asbe  
MD & CEO

(Annex to circular NPCI/UPI/OC No 80/2019-2020 dated February 28, 2020)

**Third party validation API using PAN in UPI**

<b>Scenarios</b>			
<b>Input</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
	PAN + (A/C +IFSC) or UPI id	PAN + (A/C +IFSC) or UPI id	PAN + (A/C +IFSC) or UPI id
<b>Result</b>	<b>PAN MATCH</b>	<b>NO PAN MATCH</b>	<b>PAN DOES NOT EXIST</b>
<b>Response</b>	SUCCESS	FAILURE	FAILURE
<b>Additional details</b>	<ul style="list-style-type: none"> <li>Account no + IFSC</li> <li>Account Nature – Single or Joint.</li> <li>Account Holder – Primary or Secondary</li> <li>Account Type – Savings/ Current/NRE/NRO/Others</li> <li>Mask Name</li> </ul>	No details passed	No details passed