

NPCI/UPI/OC No.105/2020-21

March 10th ,2021

To,
All Members in UPI,

Dear Sir / Madam,

Subject: Purpose Code '01' as an identifier for One Time Mandate (OTM) block transactions in UPI online messaging.

One Time Mandate (OTM) with fund block functionality was launched as one of the UPI 2.0 feature. The OTM functionality is prominently used for the IPO use case and the unique identifier of the IPO mandate block transaction is the combination of purpose code '01' and the Merchant Category Code (MCC) - 6211 passed in the UPI online messaging. For further details on OTM functionality and the SEBI IPO case, please refer the UPI Circular no. 56 dated August 14, 2018 and UPI Circular no.78 dated June 21, 2019 respectively.

As the eco-system is exploring use cases on OTM such as advance hotel booking, ticket booking, Earnest Money Deposit (EMD) etc., it is advised that acquiring member banks to mandatorily use purpose code '01' and the applicable MCC as an identifier for all such use cases pertaining to OTM with fund block.

It is advised that all members in UPI eco-system are ready as Issuer / and Acquirer, as the case may be, to process OTM transactions in UPI. Members are further directed to ensure compliance to UPI Circular no. 78 dated 27th January 2020 on 'Reconciliation and handling declined/ timed out transactions in OTM'.

Members may bring the contents of the circular to the notice of their constituents concerned.

Yours faithfully,

Praveena Rai

COO