

NPCI/UPI/OC No.125A/2022-23

20th July, 2022

To,
The Members - Unified Payments Interface (UPI)

Dear Madam / Sir,

Subject: Addendum to OC 125 – Non-revocation of UPI AUTOPAY mandate for Loan repayment and EMI collection category

This is with reference to NPCI/UPI/OC No.125/2021-22, wherein it was mentioned that Dishonor of transaction due to insufficiency of funds for recurring payments for categories which fulfills the requirement of 'Promise to Pay a debt or a liability', is considered an offense committed by the customer under Section 25 of the Payment Settlement Act, 2007 (PSS Act). The aforementioned section accords the same rights and remedies to the payee (beneficiary) against the aforementioned dishonor of the electronic fund as are available to the payee of a cheque under Chapter XVII of the Negotiable Instrument Act, 1881, provided the electronic funds transfer was initiated in accordance with the procedural guidelines issued by the system provider.

2. Along the same lines, revoke and pause option shall not be shown to the user on the Payer App for the UPI AUTOPAY mandates (including already created mandate) for the below-mentioned categories.
 - i. Loan repayment – MCC 7322
 - ii. EMI Collection – MCC 7322
3. For the creation of a new mandate, Payee/ Merchant shall send the "revokeable" flag as "N" during mandate creation. Payer PSP/ App needs to ensure if the revokeable flag is "N", then, they shall not show the revoke and pause option to the user for the created mandate against the aforementioned categories.
4. For aforementioned categories, Merchant/ Corporate must provide the provision to revoke the UPI AUTOPAY mandate to the user on their website/ app and explicitly communicate the process to revoke the mandate. Revoking of the mandate shall be with the consent of the Merchant/ Corporate. The Acquiring bank must verify the same before making the Merchant/ Corporate live for UPI AUTOPAY for these categories.

Members are hereby requested to take note of the above and ensure compliance with immediate effect.

Yours sincerely,

SD/-

Kunal Kalawatia

Chief of Products