

NPCI/UPI/OC-142/2021-22

25th March 2022

To,

All Member Banks, Unified Payments Interface (UPI)

Dear Madam/Sir,

Subject: Acceptance of UPI based payments by merchants

Interoperability and standardization of acceptance of UPI payments on online and offline merchants is the most essential ingredient for ubiquitous service to all UPI customers. Any attempt to allow only select UPI app(s) results in denial of service and is a breach of the UPI's regulatory approval in terms of interoperability.

Further, **Section 269SU in the Income-tax Act, 1961 ("the IT Act")** mandates that every business with total sales, turnover or gross receipts, exceeding fifty crore rupees during the immediately preceding financial year, is required to provide the facility for accepting payments through UPI and BHIM UPI QR codes.

We would draw your attention to following compliance requirements:

1. Every BHIM UPI user on-boarded on any UPI Payment Application (Bank Apps /TPAPs) should be able to make BHIM UPI based payments without restriction on merchant websites, apps or any other channel (Ref: NPCI circular **UPI/OC No 35/2017-18**) and;
2. UPI enabled apps must respond to intent call from a merchant app only if the customer has registered and set a UPI PIN in the particular UPI enabled app (Ref: NPCI circular **UPI/OC-73/2019-20**) and;
3. All UPI enabled merchants should follow all the requisite mandatory brand guidelines for BHIM UPI (Ref: NPCI Circular **UPI/OC-100/2020-21**).

To provide a seamless, standardized & interoperable experience to customers, it is mandated that all acquiring banks ensure that their respective, directly and indirectly, acquired merchants should accept payments from all UPI apps, without restriction and with immediate effect with proper branding and visibility to all UPI customers. (Acquiring banks should ensure that their respective acquired merchants should not accept UPI based payments only through selective UPI apps.)

If incidents of non-compliance with the above mentioned guidelines are observed on any merchant website, app or any other channel, it may result in strict action including that of stopping the UPI transactions for the specific merchant/aggregator/acquiring entity in part or in entirety.

Members are requested to report any incident of non-compliance by email to NPCI at upi.compliance@npci.org.in

Yours faithfully,

SD/-

Kunal Kalawatia
Chief of Products