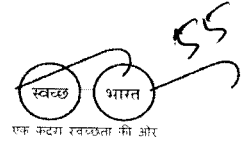


भारत सरकार **Government of India**
रेल मंत्रालय **Ministry of Railways**
रेलवे बोर्ड (**Railway Board**)



RBA No. 119/2017

No. 2017/ACII/9/2

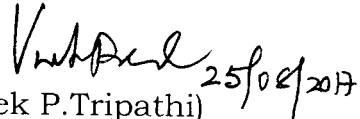
New Delhi, dated: 25.08.2017

PFA's
All Zonal Railways/PUs.

Sub: Guidelines for use of Unified Payment Interface (UPI) and Bharat Interface for Money (BHIM) for collection of Government revenue.

Controller General of Accounts /Ministry of Finance has approved the use of Unified Payment Interface (UPI) and Bharat Interface for Money (BHIM) for collection of Government revenue . In this regard, please find enclosed a copy of O.M. No. S-11012/3(1)/DP/WC/2017/GBA/505-660 dated 10.08.2017 for information and necessary action.

DA: As above


(Vivek P. Tripathi) 25/08/2017
Director Finance (CCA)
Railway Board

O.M. No. S-11012/3(1)/DP/WC/2017/GBA/ 5122- 5275
Government of India
Ministry of Finance, Department of Expenditure
Controller General of Accounts
Mahalekha Niyantak Bhawan
E-Block, GPO Complex, INA, New Delhi-110023
Tel: 011-24665384, Fax: 011-24649365, E-mail: sao-rbd@nic.in

Dated: 10/08/2017

Office Memorandum

Subject: Guidelines for use of Unified Payment Interface (UPI) and Bharat Interface for Money (BHIM) for Collection of Government revenue.

Controller General of Accounts has approved the use of Unified Payment Interface (UPI) and Bharat Interface for Money (BHIM) for collection of Government revenue.

Guidelines for the use of UPI/BHIM for collection of Government receipts by the Ministries/Departments of the Government of India are enclosed herewith for necessary action.

Tripta

(Tripti P. Ghosh)

Jt. Controller General of Accounts

Tel: 24665312

Encl. as above.

To,

1. All Secretaries to Government of India.
2. Controller General of Defence Accounts, M/o Defence, New Delhi
- ✓ 3. Financial Commissioner, Railway Board, M/o Railways, New Delhi
4. Member(Finance), Department of Posts, New Delhi
5. Member (Finance), Department of Telecommunications, New Delhi
6. Pr.CCAs/CCAs/CAs with independent charge of all Ministries/Departments.
7. Finance Secretary of U.T.'s of Dadra and Nagar Haveli, Daman and Diu, Chandigarh, Andaman and Nicobar Islands, Lakshdweep.
8. Sr. Accounts Officer, I.T. Division, O/o CGA with the request to upload this OM on website of CGA.

Guidelines for use of UPI/BHIM in payments of Government receipts by customers

References have been received from some of the Ministries for use of UPI/BHIM in payments of Government receipts. The same was also recommended by the Watal Committee on Digital Payments. It has been decided to allow UPI/BHIM in payments of government receipts by customers.

Broad guidelines for use of UPI/BHIM for payments of Government receipts are as follows.

1. Definitions

1.1 **UPI:** Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience.

1.2 **BHIM:** BHIM (Bharat Interface for Money) is a Mobile App developed by National Payments Corporation of India (NPCI), based on the Unified Payment Interface (UPI). BHIM is inter-operable with other Unified Payment Interface (UPI) applications and bank accounts.

1.3 **Virtual Payment Address (VPA):** Virtual Payment Address (VPA) is an address which identifies a person's bank a/c. For instance, the VPA Address for BHIM customers is in the format xyz@upi. One can just share his/her VPA with anyone to receive payments (no need for bank account number/ IFSC code, etc.). One can also send money to anyone by using their VPA.

1.4 **Accredited Bank:** Accredited Bank is the Bank authorized by the Controller General of Accounts to transact receipt and/or payment business of a Ministry/Department within the Reporting and remittance framework defined by CGA and RBI, for which Agency Commission is paid by the Reserve Bank of India.

1.5 **Acquiring Bank:** Bank engaged by Ministry/Department for processing the payments received through UPI application after integration with the Department's Portal/CPG (in case of Railways). They would act as intermediary for collection of receipts.

1.6 **Issuer's Bank:** Bank where customer maintains his/her account.

1.7 **Payment Service Provider (PSP):** The service provider whose UPI application is being used by the customer.

1.8 **Government Portal System (GPS):** Government Portal System is a Web Site/Page of Government's Ministry/Department offering single window access to information and services being provided by the concerned Ministry/Department including accepting payments for services offered e.g. Non-Tax Revenue Portal (NTRP) of Controller General of Accounts or Centralised Reservation Information System (CRIS) of Ministry of Railways.

1.9 **Application Programming Interface (API):** An application-programming interface (API) is a set of programming instructions and standards for accessing a Web-based software application. In general terms, it is a set of clearly defined methods of communication between various software components. API is required for communication between banking software and Government Portal system.

2. **General Process**

2.1. The Ministries/ Department will make necessary arrangement for appointment of the Acquirer Bank for UPI. Only banks authorized by RBI for handling Government transactions under Section 45(1) of RBI Act, 1934 may be selected.

2.2. The engagement of accredited bank and any other intermediary by the Ministry/Department as Acquirer for UPI/BHIM shall be governed by 'The Payment and Settlement Systems Act, 2007 (NO. 51 of 2007 dated 20-12-2007), extant orders of RBI and Procedural Guidelines for Unified Payments Interface of NPCI, as amended from time to time.

2.3. The intermediaries will be responsible for collection of money, its payment to the accredited bank within the period as given in Para 4 Clause 4.3. They will also be responsible for necessary MIS as per the requirement of accredited bank for preparation of scrolls by accredited bank.

2.4. The Ministries/ Departments shall create facilities for the public for payment of money through UPI/BHIM as selected by the Ministry as one of the payment mechanism for both online and offline modes. [For online/offline transactions, the electronic/manual challan form, to be filled up electronically/manually with such details of the transaction which are necessary for reporting, reconciliation and accounting purpose, will be facilitated online/offline at the payment gateway/counter respectively by the Ministries/Departments for their customers].

2.5. The classification of receipts shall be available on GPS and suitably integrated with the Acquiring Bank. GPS shall enable an MIS based on the initiation of transaction on request received. The second stage of receipt of fund in acquiring bank may also be tracked as a receivable. The final stage

for credit of the receipt at the point of report of funds by accredited bank to Ministries/Department may be clearly provided for. MIS as necessary across the three stages may be provided for each type of receipt to each stakeholder by GPS.

2.6. A Tripartite Agreement may be signed between the Ministry /Department, the Accredited Bank and the Acquirer Bank (where other than Accredited Bank) for coordination of operations, including collection mechanism, reconciliation of money collected through UPI/BHIM and the necessary reporting of government receipts between the Ministry/Department, Acquirer Bank and Accredited Bank. Specific formats may be devised with the approval of the Accounting authority for seamless remittance and reconciliation. Time stamping by each system may be required.

2.7. The formats for reporting of such transactions by the Acquirer Bank to the Accredited Bank shall be stipulated by the Accounting authority in consultation with Accredited Bank. The pre-defined format of RBI used by Accredited Banks for reporting of Government transactions to RBI may be incorporated suitably. End of the day reports pushed by the Acquiring bank to accredited bank should be posted on the Government Portal System simultaneously.

2.8. There should be complete integration between UPI Acquirer software and the Department's GPS (Centralised Reservation Information System (CRIS) of Railways) which interacts with the acquiring bank for processing the payments and refunds for railway tickets through Application Programming Interface (API). The information flow should be seamless and without manual intervention between all stakeholders, from the point of debit of funds from customer's account as informed through mobile and credit to Government Account.

2.9. In case payments received through counters, the Quick Response (QR) code may be used at payment counters for quick service wherever possible. The QR code may be dynamic or static. The QR code would capture necessary payment, service and accounting information.

3. Merchant Discount Rate (MDR)

3.1. The MDR as communicated by Reserve Bank of India from time to time would be applicable to the transactions made through UPI/BHIM.

3.2. MDR charges, if applicable, on UPI transactions shall not be netted from receipts of Government by the Acquirer Bank or Accredited Bank. The Acquirer Bank should remit the full amount of receipt to the Accredited Bank without deduction of MDR charges if any. The Government should get the full amount for a service for which payment has been made by the Customer.

4. Settlement of Funds

4.1. The Settlement of funds and Reports/MIS between NPCI, Acquirer Bank and Accredited Bank should be as per the protocol decided by RBI/NPCI for UPI Transactions.

4.2. The Acquiring Bank should undertake to remit all funds received under UPI transactions to government account maintained by the accredited bank (if acquiring bank and accredited bank are different).

4.3. The Acquirer Bank should settle the funds with Accredited Bank in T+1 day, T being the date the account of the customer is debited (NPCI should settle the funds the same day with Acquirer Bank) along with agreed reports, MIS and Reconciliation statement.

4.4. The accredited bank will be responsible for collating, scrolling and reporting transaction-wise all aforesaid payments to Pay and Accounts Office and remittance of the same into the Government Account in the RBI within the time limit i.e. T+1 working day as prescribed by the RBI in consultation with Controller General of Accounts vide letter No. RBI/2004-15/416 (DGBA.GAD.NO.H-3203/42.01.011/2014-15) dated 21-01-2015 where T is the date of receipt of funds in accredited bank.

4.5. Accredited Bank should get the funds along with individual transaction details from the Acquiring Bank for putting through the transaction in the Ministry/Department's account individually.

5. Refund process

5.1. Refunds for payments made through UPI should be subjected to refund policy of department, if any, like the refund policy in case of Railway ticketing.

5.2. Refunds advised by the software of the department would be processed as per the agreed protocols between the Department and the UPI Acquirer Bank which should be prominently displayed and informed to the customer before a transaction is started.

5.3. The virtual payment address of the customer used at the time of transactions should be used to send refund without any manual intervention.

5.4. There should be system validation in the GPS that no refund is processed if the service for which payment has been made has been availed by the customer.

5.5. Refund amount, if applicable, would be system generated and in no case the refund amount should exceed the original paid amount for the service (in case of Railway Tickets etc.).

6. Other Items

6.1. The accredited bank will follow the instructions issued by the RBI for handling Government transaction through e-payment and provide challans, scrolls and DMS of such transactions in the electronic form to the Pay and Accounts Office/Accounts Office.

6.2. The accredited bank will generate a unique challan number linked to the branch code with clear identifier for the mode of payment that is provided on the receipt given to the customer.

6.3. Civil Ministries/Departments, who do not have any Receipt Portal of their own, are also required to have the necessary integration with Non Tax Revenue Portal of Controller General of Accounts, M/o Finance for collection of receipts through UPI/BHIM.

6.4. All Ministries/Departments may keep the above guideline in view while introducing the UPI/BHIM facility for payment of Government receipts by the public. The Ministry/Department desirous to introduce such facility for their receipts may do so in consultation with their Pr.CCA/CCA/CA or concerned head of accounting organization in case of Non-Civil Ministries/Departments.
