



## Paytm Gets Third-party Licence from NPCI

[Source: TOI](#)

The [National Payments Corporation of India](#) has recently granted approval to Paytm-owner One97 Communications Ltd to participate in [Unified Payments Interface \(UPI\)](#) as a **Third-Party Application Provider (TPAP)** under the multi-bank model.

- Axis Bank, HDFC Bank, State Bank of India, and YES Bank will act as Payment System Provider (PSP) banks to Paytm.
  - Previously, Paytm operated through its own [payments bank licence](#). However, due to regulatory non-compliance, **RBI imposed several restrictions on Paytm Payments Bank**.
- TPAPs are entities facilitating UPI payments by connecting customers and merchants through applications or platforms.
  - They serve as intermediaries, ensuring seamless transactions and play a vital role in the UPI ecosystem, handling millions of transactions daily.
- NPCI, formed as a collaboration between the **RBI and [Indian Banks' Association \(IBA\)](#)** under the [Payment and Settlement Systems Act, 2007](#) operates as a not-for-profit entity to enhance India's payment and settlement infrastructure.
  - It aims to provide both physical and electronic payment solutions to the banking sector, leveraging technology to drive operational efficiency and expand payment system accessibility.

**Read more:** [RBI Imposes Restrictions on Paytm Payments Bank](#)

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