



## UPI 2.0 Launched by NPCI

On August 16, 2018, an upgraded version of the Unified Payments Interface (UPI), UPI 2.0, was launched by the National Payments Corporation of India (NPCI).

### What is Unified Payments Interface (UPI)?

- It was launched in April 2016 and in the last two years, the platform has emerged as a popular choice among users for sending and receiving money.
- UPI is a payment system that allows money transfer between any two bank accounts by using a smartphone.
- UPI allows a customer to pay directly from a bank account to different merchants, both online and offline, without the hassle of typing credit card details, IFSC code, or net banking/wallet passwords.
- It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.

### Key Features

- Linking of overdraft account: In addition to current and savings accounts, customers can link their overdraft account to UPI. Customers will be able to transact instantly and all benefits associated with the overdraft account shall be made available to the users. UPI 2.0 will serve as an additional digital channel to access the overdraft account.
- One-time mandate: UPI Mandate, which means customers including both merchants and individual users can pre-authorize a transaction and pay at a later date, can be created and executed instantly. On the date of actual purchase, the amount will be deducted and received by the merchant/individual user.
- Invoice in the inbox: This feature is designed for customers to check the invoice sent by merchant prior to making payment. It will help customers to view and verify the credentials and check whether it has come from the right merchant or not. Customers can pay after verifying the amount and other important details mentioned in the invoice.
- Signed intent and QR: This feature helps customers to check the authenticity of merchants while scanning QR or quick response code. It notifies the user with information to ascertain whether the merchant is a verified UPI merchant or not. This provides an additional security. Customers will be informed in case the receiver is not secured by way of notifications.

### National Payments Corporation of India (NPCI)

- It is an umbrella organisation for operating retail payments and settlement systems in India. It is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007.
- It has been incorporated as a “Not for Profit” Company under the provisions of Section 25 of Companies Act 1956 (now Section 8 of Companies Act 2013).
- The ten core promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank and HSBC. In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors.

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