



UPI Transactions Enabled for PPI Holders

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The [Reserve Bank of India \(RBI\)](#) has **amended** its regulations to allow **full-KYC Prepaid Payment Instruments (PPIs)** holders to perform [Unified Payments Interface \(UPI\)](#) transactions **via third-party UPI apps**.

- **Objective:** To allow **PPI holders**, such as users of **digital wallets and gift cards**, to make and receive UPI payments via **third-party apps** like **PhonePe, Google Pay, and Paytm**, which were limited to the issuer's app only.
 - It aims to **enhance flexibility, customer satisfaction, and ease of use**, promoting **greater participation** in the **digital payment** ecosystem.
- **PPIs:** PPI are **digital wallets and payment tools** that allow users to **purchase goods and services, transfer funds, and access financial services** using the value loaded onto them.
 - There are over **1.14 billion PPIs** issued by **banks and non-banks** in India.
- **UPI:** It is an **instant real-time payment system** developed by [NPCI](#) to facilitate inter-bank transactions through mobile phones.
 - UPI accounts for **70% of India's digital transactions** in **2023-24**.
 - In October 2024, UPI processed **Rs 23.49 lakh crore** across **16.58 billion transactions**, marking a **45% increase from 2023**.
 - The Indian government is also promoting **UPI** and [RuPay cards internationally](#).

Read More: [UPI Payments: Empowering Users, Challenging Banks](#)

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