



NPCI Extends Market Cap Deadline for UPI Apps

[Source: LM](#)

Recently, the [National Payments Corporation of India \(NPCI\)](#) extended the deadline for [Third-Party App Providers \(TPAPs\)](#) to comply with the **30% transaction cap** on [UPI transaction volumes](#) till **31st December, 2026**.

- This decision impacts major **TPAPs like PhonePe and Google Pay**, which collectively hold over **80% of UPI transactions**.
 - To comply with the **30% cap**, TPAPs exceeding the limit must halt onboarding new customers.
- **Background:** In **November 2020**, **NPCI** introduced a cap of **30% on UPI transaction volumes per TPAP** to mitigate **concentration risks** and ensure a **balanced ecosystem**. However, the deadline was **extended in December 2022**.
 - The cap is based on the **average UPI transaction volume over the past three months**, with existing TPAPs exceeding the cap given **two years to comply** in phases.
- **NPCI:** It was established by [RBI](#) and [Indian Banks' Association](#) under the provisions of the **Payment and Settlement Systems Act, 2007**.
- **TPAPs:** They are entities that offer **UPI-based financial services** through **mobile apps or platforms**, acting as intermediaries between **users and banks (referred to as sponsor banks)**.
 - TPAPs are **not part of banks or financial institutions**.

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

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