

ERGO

Analysing developments impacting business

NPCI PERMITS NRIS TO MAKE PAYMENTS VIA UPI WITH INTERNATIONAL MOBILE NUMBERS

18 January 2023

The National Payment Corporation of India (**NPCI**) has issued an operating circular on 10 January 2023 (**OC**) allowing use of Unified Payments Interface (**UPI**) by non-resident Indians (**NRI**) using their international mobile numbers.

BACKGROUND

To onboard on UPI to make payments, a user has to *inter alia* undergo a sim binding process which integrates the user's bank account with his/her Indian mobile number. This onboarding flow restricted NRIs using their international mobile numbers to experience the seamless payments that UPI offers. However, in a recent move that could be argued to be an effort to seal UPI's position as a leading digital payment technology across the globe, NPCI has permitted NRIs using international mobile numbers to use UPI to make payments without obtaining an Indian number which was a hassle for NRIs due to associated costs.

KEY HIGHLIGHTS OF THE OC

Permissibility for non-resident external (NRE) / non-resident ordinary (NRO) accounts only

The OC instructs members of the UPI ecosystem to permit only non-resident account types such as NRE/ NRO accounts with Indian banks linked to international mobile numbers to get onboarded on UPI and make transactions. Therefore, the move would not be allowing cross border payments

Compliance with the foreign exchange management regulations and other applicable laws

Member banks will be required to ensure due compliance with the relevant foreign exchange management regulations and any other guidelines/instructions issued by Reserve Bank of India from time to time. Additionally, the remitter/beneficiary banks will need to comply with the anti-money laundering / combating of financing of terrorism checks and compliance validation / account level validations as per the applicable law. Further, the onboarding and transaction level checks of such users will be governed by the applicable UPI guidelines.

Availability of the facility for specific countries only

Currently, only NRIs from Singapore, Australia, Canada, Hong Kong, Oman, Qatar, USA, Saudi Arabia, United Arab Emirates and United Kingdom will be able to make use of the said facility and it will extend to other countries in the near future through an addendum or subsequent guidelines issued by NPCI.

Timeline for compliance with the OC

All the UPI members are required to comply with the directives prescribed in the OC by 30 April 2023.

COMMENT

Enabling NRIs having NRE / NRO account with Indian banks to use UPI with international numbers will help NRIs pay from their Indian bank accounts to Indian merchants and peers. This will further ease out the hassle of obtaining Indian numbers to use UPI especially when maintaining Indian numbers comes with additional costs in the form of international roaming charges and other subscriber verification formalities.

That said, it is pertinent to note that NPCI has issued multiple directives in the recent past which includes directives in the form of addendum for onboarding users on UPI mapper, linkage of RuPay credit card on UPI, etc. in a considerably brief period of time. The timely compliance of such directions may be overwhelming for the UPI members given the tight deadlines and may require NPCI to extend the timelines for UPI members to go live with the said features. Nevertheless, such directions are a welcome step in the interest of consumers and overall proliferation of the UPI platform.

- Harsh Walia (Partner), Shobhit Chandra (Counsel) & Rupendra Gautam (Associate)

For any queries please contact: editors@khaitanco.com

We have updated our [Privacy Policy](#), which provides details of how we process your personal data and apply security measures. We will continue to communicate with you based on the information available with us. You may choose to unsubscribe from our communications at any time by clicking [here](#).