BCM DISCLOSURE STATEMENT

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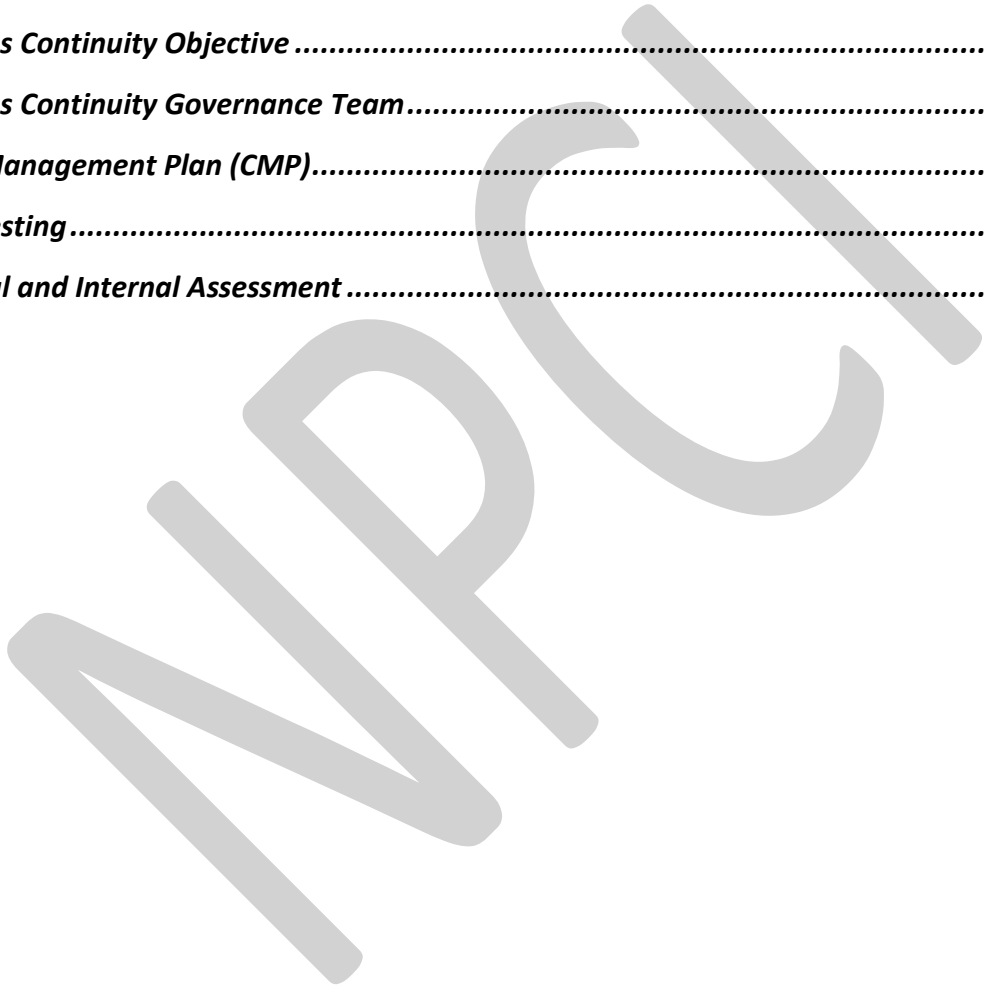
Introduction

National Payments Corporation of India (NPCI), an umbrella organisation for operating retail payments and settlement systems in India, 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, for creating a robust Payment & Settlement Infrastructure in India.

The core objective was to consolidate and integrate the multiple systems with varying service levels into nation-wide uniform and standard business process for all retail payment systems. The other objective was to facilitate an affordable payment mechanism to benefit the common man across the country and help financial inclusion.

NPCI provides services which are critical for payment processing in India across various products. Payment processing activity takes place at real time and requires a resilient Information Technology setup that ensures uninterrupted service to the end customers of the banks. NPCI is committed to ensure that its services will be available to all member banks on a 24 x 7 basis with a continual uptime commitment of its systems. NPCI operations need to be functional in the event of any unforeseen events such as earthquake, flood, fire and other natural / manmade disasters. Hence, NPCI has implemented Business Continuity Management System (BCMS) best practices for their critical functions.

Purpose

The purpose of this disclosure is to outline the approach and framework of NPCI's Business Continuity.

Scope

Business Continuity is applicable to all business processes of NPCI and it includes the Business Continuity Planning and Disaster Recovery of all business activities that are performed in the normal course of its business operations across NPCI locations.

Policy Statement

NPCI shall be committed towards implementing a comprehensive Business Continuity Management program during the event of crisis/ disaster across all its operations and locations. It aims to protect people and assets, guarantee timely recovery, support operational services and facilities, guarantee the availability and quality of services, meet stakeholders (clients, shareholders, customers, authorities and business partners) expectations and preserve NPCI's brand image and reputation.

NPCI BCMS Framework

Business Continuity provides a framework for ensuring resilience and robustness in business operations against various threats, incidents and disasters that can have catastrophic effects on businesses. Threats can come from incidents originating through accidents, orchestrated malicious activity by threat actors or incidents created by the natural elements. It is therefore imperative to prevent such incidents from occurring and protect the business critical infrastructure, technology, associated processes, people and site from the identified threats. Business Continuity at NPCI is based on the below approach:

- Identification of business processes and needs
- Carry out risk assessment to determine the risks
- Devising recovery strategies for business continuity
- Establishing effective crisis management and emergency response framework
- Documenting, implementing and testing business continuity and disaster recovery plans at a regular frequency
- Ensuring regular update of business continuity plans and arrangements along with business continuity training and awareness

The key stakeholders considered while developing the BCM at NPCI includes customers, employees, vendors/ suppliers (strategic partners and 3rd party agencies), legal and regulatory bodies, media agencies, and organization's Board.

Business Continuity Objective

Business Continuity Management at NPCI is developed in line with the NPCI's Business Continuity Policy and Objectives, with an objective to prevent the potential disruption in business processes, performed by NPCI. The safety of the personnel should also be ensured. The below are the key objectives considered while developing BCM at NPCI:

- Ensure safety of human resources in event of disaster
- Ensure availability of key services
- Detect and minimize the impact of disaster within the defined timelines
- Minimize the possibility of reoccurrence of the disaster
- Comply with the regulatory, statutory and contractual requirements

BCM shall address the below requirements:

- Ensure human resources safety in the event of crisis or disaster

- Ensuring the customer's satisfaction by availing the key services as defined in the SLA, during the disaster

- Adherence to contractual, statutory and regulatory requirements

- Minimize the risks to customer's acquisition, service availability, revenue continuity and people safety aspects, during the event of disaster

- Ensure that business critical infrastructure is protected from threats

- Ensure that delivery of services is continued from partners and third party vendors during crisis.

Business Continuity Governance Team

Business continuity management governance structure at NPCI establishes the roles and responsibilities for BCM development, implementation, and maintenance and crisis management.

BCM governance structure at NPCI consists of following layers:

1. **Business Continuity Steering Committee (BCSC)**: BCSC is the layer which provides strategic direction and gives required support (in terms of people, governance support, economic resources) to business continuity at NPCI.
2. **Central CMT**: Crisis Management Team at NPCI, which provides decisive direction in case of a disruptive event, based on incident impact.
3. **Business Continuity Office (Head BCM):** Represented by BCM head interfaces between the BCSC and CMT.
4. **BC Coordinator**: Responsible for performing regular BCMS program activities and ensuring governance of BCM Framework in accordance to the ISO standard.
5. **Business Continuity Working Group (BCWG)**: BCWG is the execution layer which drives and ensures business continuity development, implementation and maintenance at respective department(s), facilities, technology across NPCI.
6. **All Employees**: Be aware of Business Continuity Framework and actively participate in all BCMS related activities

Crisis Management Plan (CMP)

NPCI has developed robust Crisis Management Plans that shall be adhered to identify and minimize the impact of crisis/ disaster.

A CMP is documented to ensure efficient and effective crisis communications to internal and external stakeholders to minimize reputational damage/ damage to brand value in the event of crisis. The CMP outlines crisis communication framework, guidelines to handle the flow of communication in the event of disaster and identify personnel who are authorized to communicate to internal and external stakeholders.

BCM Testing

NPCI BCM recovery strategies are tested on a regular basis and in a comprehensive manner, covering all its critical business applications and infrastructure. The overall goal of the testing approach is to simulate situations as close as possible to real life ensuring both process and application recovery.

External and Internal Assessment

The organization shall ensure that all the controls which have an influence on the Business Continuity are subjected to external and internal audits on periodic basis to verify whether the controls in place are compliant with all the aspects of Business Continuity Management requirements. The organization shall ensure that the audit procedure in place which should incorporate the below:

- Assessments planned and coordinated should ensure that entire BCM is audited.
- Organization should define and document Assessment Criteria, scope, frequency and methods of auditing.
- Based on the Assessment results, the required corrective and preventive actions should be implemented without undue delay.
- Results of the actions performed are reviewed and discussed during the BCM Management review meeting.

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