

NPCI/IMPS/OC 123/2024-25

Oct 29, 2024

To,

All Members of Immediate Payments System (IMPS)

Subject – Implementation of NRP & PRD process and arbitration guidelines

Immediate Payments System (IMPS) is an interbank electronic fund transfer. NPCI has made dispute resolution mechanism for all the stakeholders to facilitate resolution of the customer issues.

In order to bring process efficiency, help speedy resolution of customer issues and uniformity among all the online products, a revised process has been worked out. In the new process the flow of chargeback shall be as under:

- i. Chargeback
- ii. Pre-arbitration
- iii. Arbitration
- iv. NRP: NPCI Review Panel
- v. PRD: Panel for resolution of disputes
- vi. RBI (as Appellate Authority)

If the stakeholder against whom the verdict has been given by NRP can appeal to PRD, if not satisfied even with PRD verdict then appeal to RBI as appellate authority. Detailed flow of dispute lifecycle is provided in Annexure I.

Further to the changes detailed above, fee structure shall be implemented for both NRP and PRD process as per the details provided below:

1. NPCI Review Panel (NRP) Processing Fees of 500 + GST per arbitration.
2. Panel for resolution of disputes (PRD) Processing Fees of 3,000 + GST per arbitration.

This shall be effective for the chargeback cases raised from November 10, 2024.

Member banks are advised to make arrangements to handle the chargeback process accordingly. The information herein may please be disseminated for all the concerned.

With warm regards,

SD/-

Giridhar GM
Chief – Customer Success
Encl: Annexure I

Annexure I

A. NRP & PRD Process

| S. No | Existing Process | Revised Process |
|-------|--|---|
| 1) | <p>Panel for Dispute Resolution (PRD)</p> <ul style="list-style-type: none"> - NPCI would endeavour to amicably resolve disputes or differences on raising arbitration. - In case NPCI fails to resolve the issue, PRD process will be invoked. | <p>a) NPCI Review Panel (NRP)</p> <ul style="list-style-type: none"> - NRP Processing Fees of 500 + GST shall be levied for each arbitration case referred to NRP (debit remitting bank and credit NPCI). - NRP processing fees will be reversed if the verdict is given in favour of the remitting bank (debit beneficiary bank and credit remitting bank). - NRP processing fees will not be reversed if the remitting bank withdraws the arbitration. - NRP comprises 3 officials to be part of the NRP, including the Chairman. - NRP will review the documents/supporting evidence submitted by member banks for cases referred accordingly verdict will be given by NRP. - If remitting bank / remitting bank's customer is not satisfied with the NRP decision (if the verdict is in favour of beneficiary bank), then remitting bank may refer the case to PRD. - If beneficiary bank is not satisfied with the NRP decision (if verdict is in favour of remitting bank), then beneficiary bank may refer the case to PRD. <p>b) Panel for Dispute Resolution (PRD)</p> <ul style="list-style-type: none"> - PRD Processing Fees of 3,000 + GST shall be levied for each arbitration referred to PRD (Refer table – B 'Arbitration Lifecycle'). - Refer table – B 'Arbitration Lifecycle' for PRD processing fees reversal process. - PRD processing fees will not be reversed if the PRD is withdrawn (by remitter/beneficiary bank). - PRD comprises 5 officials where 4 are from steering committee and 1 is from NPCI as chairperson. - PRD will review the documents/supporting evidence submitted by member banks for cases referred accordingly verdict will be given by PRD. <p>c) RBI (as Appellate Authority)</p> <ul style="list-style-type: none"> - If any bank is not satisfied with the NRP & PRD decision, bank may refer the case to RBI (as Appellate Authority). <p>Refer below table – B for 'Arbitration Lifecycle' details.</p> |

| | | |
|----|--|---|
| 2) | Customer complaint is not mandatory for raising arbitration by the remitting bank. | Customer complaint is mandatory for raising arbitration by the remitting bank (IRCS already has the upload attachment option while raising arbitration same option has to be used for uploading complaint copy/screenshot). A complaint copy can be scanned copy of written complaint, unedited copy of email, IVR, tollfree, screenshots of websites/social media channels/bank CRM portals etc. raised with banks or regulatory bodies (viz. Ombudsman, CPGRAM, NCH, CEPC, IBA, MeitY etc.). |
| 3) | Evidence mandatory for representing chargeback/pre-arbitration/arbitration. | Refer Table – C ‘Type of Evidence mandatory’ for representing the chargeback/pre-arbitration/arbitration. |

- a) Settlement of NRP fee, PRD fee & Reversal of NRP & PRD fee including GST will be done on daily/weekly basis. Separate Invoice & GST reports will be shared on monthly basis. Once the same is automated in IRCS, fee & GST settlement will be done cycle wise and Invoice/GST reports will be shared on monthly basis.
- b) Arbitration will be considered as deemed accepted if beneficiary bank does not accept/reject the arbitration within TAT of 7 calendar days (from the next day of the arbitration is raised).
- c) RBI customer compensation will be processed wherever arbitration is accepted, deemed accepted or NRP/PRD verdict is given in favour of the remitting bank. RBI customer compensation calculation is as per the existing process set in IRCS
- d) Evidence has to be provided at the time of rejecting the arbitration. Once the arbitration is rejected, thereafter no further evidence is taken into consideration (e.g. Arbitration raised on 1st Oct 2024. TAT for rejecting arbitration is 7 calendar days. In this case, evidence has to be provided between 1st Oct 2024 to 7th Oct 2024, no evidence will be considered if sent on or after 8th Oct 2024).
- e) Beneficiary bank should put the best efforts to get the proper and valid evidence at the time of rejecting the chargeback and avoid pre-arbitration/arbitration (NRP/PRD). NPCI will analyse all the PRDs periodically and if any bank is found to be submitting proper & valid evidence only in PRDs stage mostly, then NPCI will take up the matter on non-compliance basis.
- f) Other than above mentioned revised process there is no other changes in arbitration process (viz. dispute TATs, NTS/DSR, adjustment report, Harmonisation of TAT and customer compensation applicability etc.).

Note: NPCI will send a separate addendum circular, once the development is completed for the above-mentioned points.

B. Arbitration Lifecycle

| Arbitration Stage | Raised By | TAT | TXN Sub Type | Adj Flag | Adj Reason Code | Fund Movement | | | | | | | | | | | |
|---|-----------|---|--------------|----------|-----------------|----------------|-----|----------------------------------|-----|-------------------------|----|---------------------------|------|------------------------|-----|------------------------|-----|
| | | | | | | Dispute Amount | | RBI Customer Compensation Amount | | NRP Fee Rs. 500/- & GST | | PRD Fee Rs. 3,000/- & GST | | Reversal NRP Fee & GST | | Reversal PRD Fee & GST | |
| | | | | | | Dr | Cr | Dr | Cr | Dr | Cr | Dr | Cr | Dr | Cr | Dr | Cr |
| Arbitration (Note - Below rules are same and applicable for deferred chargeback lifecycle) | | | | | | | | | | | | | | | | | |
| Arbitration Raise / Deferred Arbitration Raise | REM | 10 days from next day of Pre-Arbitration Decline / Deferred Pre-Arbitration Decline | F3/FC | AR | 101 | | | | | | | | | | | | |
| | | | | | 127 | | | | | | | | | | | | |
| Arbitration Withdraw | REM | 07 days from next day of Arbitration Raise / Deferred Arbitration Raise | F3/FC | | | | | | | | | | | | | | |
| Arbitration Accept / Deemed Accept | BEN | 07 days from next day of Arbitration Raise / Deferred Arbitration Raise | F3/FC | | | BEN | REM | BEN | REM | | | | | | BEN | REM | |
| Arbitration Reject | BEN | 07 days from next day of Arbitration Raise / Deferred Arbitration Raise | F3/FC | | | | | | | | | | | | | | |
| NPCI Review Panel (NRP) | | | | | | | | | | | | | | | | | |
| NRP Verdict in favor of BEN Bank | NPCI | 30 days from next day of Arbitration Reject | F3/FC | | | | | | | | | | | | | | |
| NRP Verdict in favor of REM Bank | NPCI | 30 days from next day of Arbitration Reject | F3/FC | | | BEN | REM | BEN | REM | | | | | | BEN | REM | |
| Panel for resolution of disputes (PRD) : NRP Verdict given in favour of BEN Bank | | | | | | | | | | | | | | | | | |
| PRD Raise | REM | 15 days from next day of NRP Verdict given in favour of BEN Bank | F3/FC | | | | | | | | | REM | NPCI | | | | |
| PRD Withdraw | REM | 15 days from next day of PRD Raise | F3/FC | | | | | | | | | | | | | | |
| PRD Accept / Deemed Accept | BEN | 15 days from next day of PRD Raise | F3/FC | | | BEN | REM | BEN | REM | | | | | | BEN | REM | BEN |
| PRD Reject | BEN | 15 days from next day of PRD Raise | F3/FC | | | | | | | | | | | | | | |
| PRD Verdict in favor of BEN Bank | PRD | 30 days from next day of PRD Reject | F3/FC | | | | | | | | | | | | | | |
| PRD Verdict in favor of REM Bank | PRD | 30 days from next day of PRD Reject | F3/FC | | | BEN | REM | BEN | REM | | | | | | BEN | REM | BEN |
| Panel for resolution of disputes (PRD) : NRP Verdict given in favour of REM Bank | | | | | | | | | | | | | | | | | |
| PRD Raise | BEN | 15 days from next day of NRP Verdict given in favour of REM Bank | F3/FC | | | | | | | | | BEN | NPCI | | | | |
| PRD Withdraw | BEN | 15 days from next day of PRD Raise | F3/FC | | | | | | | | | | | | | | |
| PRD Accept / Deemed Accept | REM | 15 days from next day of PRD Raise | F3/FC | | | REM | BEN | REM | BEN | | | | | | REM | BEN | REM |
| PRD Reject | REM | 15 days from next day of PRD Raise | F3/FC | | | | | | | | | | | | | | |
| PRD Verdict in favor of BEN Bank | PRD | 30 days from next day of PRD Reject | F3/FC | | | REM | BEN | REM | BEN | | | | | | REM | BEN | REM |
| PRD Verdict in favor of REM Bank | PRD | 30 days from next day of PRD Reject | F3/FC | | | | | | | | | | | | | | |

C. Type of Evidence

Refer below table for type of evidence applicable for re-presenting chargeback, pre-arbitration and arbitration.

| S. No | TXN Type | Chargeback Reason Code with Description | Mandatory Evidence for Re-presentment / Pre-arbitration / Arbitration / NRP & PRD |
|-------|---------------------------|---|---|
| 1 | P2P/P2A (FIR) | <ul style="list-style-type: none"> RC 108 - Remitter account debited but beneficiary account not credited. | <p>CBS Screenshot showing amount credited in beneficiary account.</p> <p>Screenshot should consist of,</p> <ul style="list-style-type: none"> - Last 4 digits of beneficiary account - Value date - Amount - TXN description |
| 2 | Credit Card Payment (P2A) | <ul style="list-style-type: none"> RC 121 - TCC has been raised but customer still complaining that Beneficiary a/c is not credited. | <p>In case of Credit Card Application screenshot/statement showing amount credited in beneficiary credit card</p> <p>Screenshot should consist of,</p> <ul style="list-style-type: none"> - Last 4 digits of beneficiary credit card. - Value date - Amount - TXN description |

Note:

- CBS & Credit Card Application screenshots should be sent after masking the PII details (PII – Person Identifier Information).
- Verdict will be given in favour of the remitting bank if beneficiary bank submits,
 - No/blurry/partial/illegible evidence.
 - Rejection reason/evidence as their customer account is having zero, insufficient balance, under freeze/close/regulatory block status etc.
 - Rejection reason/evidence as their customer is not contactable.