

NPCI/UPI/OC No 170/2023-24

20th September 2023

To
All Members participating in Unified Payment Interface (UPI)

Subject: RBI's Digital Rupee – CBDC and UPI Interoperability

RBI's Digital Rupee facilitates fast and efficient transactions, which aims to enhance financial inclusion. It further provides a secure and regulated digital alternative to physical cash.

In line with RBI's decision to enhance interoperability between UPI and Digital Rupee, it is intended to extend the benefits of UPI Quick Response Code (QR Code) to the Digital Rupee users. This will enable all the merchants that are already using UPI QR Code to be enabled for receiving payments from Digital Rupee users.

Members shall implement the following for enabling interoperability and acceptance of UPI QR Codes for Digital Rupee transactions:

1. The Bank Apps enabling Digital Rupee transactions shall be allowed only for QR code based merchant payments (P2M or P2PM). No transactions should be allowed for P2P segment.
2. Digital Rupee transactions on UPI QR shall be initiated/identified with purpose code 92 and via Digital Rupee (Wallet id - @dr<bankname>) handle only.
3. In case of refunds pertaining to such interoperable transactions on UPI QR, the same shall be initiated only via Unified Dispute and Issue Resolution (UDIR) APIs. Reference is drawn to NPCI/ UPI/OC 145A dated 19th August'22 and NPCI/UPI/OC 165 dated 19th April'23 in this regard. If the acquiring entity uses any other channel for processing 'refund', liability of such transactions shall be with the acquiring entity.
4. Existing NPCI switching fees for UPI merchant payments (P2M or P2PM) transactions shall be applicable for the aforesaid transactions.
5. Existing UPI Limits shall apply for such transactions.
6. Existing UPI settlement process and associated guidelines will be applicable for such transactions.

Members are requested to take a note of the above and undertake requisite changes in their respective systems before **30th November '23**.

Yours sincerely,

Kunal Kalawatia
Chief of Products