NPCI/ UPI/OC No. 213/2024 – 2025   **Feb 10, 2025**

To,

All Members of Unified Payments Interface (UPI)

Subject: Auto acceptance & rejection of chargeback basis the TCC & Returns

Chargebacks are often initiated by remitting banks before beneficiary banks can act on UPI deemed approved transactions, because the current process allows remitting banks to raise chargeback from T+0 onwards in URCS, due to which beneficiary banks are not getting sufficient time to reconcile and process returns (RET)/TCC proactively before a dispute is taking shape of chargeback, there were instances where beneficiary banks have raised RET and didn't checked the status of returns they have been rejected because chargeback is already raised, and the chargeback has been closed on deemed acceptance basis along with RBI penalty.

To address these challenges and improve the efficiency of dispute resolution, we are implementing auto acceptance/rejection of chargeback basis the TCC/RET raised by the beneficiary bank in next settlement cycle after the chargeback is already raised. Note, this revised process is applicable only for bulk upload option & UDIR not in front end option.

Key Changes in the Revised Process:

TXN TYPE	TXN RC	Remitter Raised	Same /Next Settlement Cycle	Beneficiary Raised	Same/Next Settlement Cycle	URCS Functionality	New Dispute Flag	New Reason Code	New Adjustment Type
P2P-U3-UC	Deemed	Chargeback	E.g. 6C	RET	E.g. 6C (Same Settlement Cycle)	URCS will Reject Chargeback and process RET (Existing Functionality - No change)	NA	NA	NA
P2P-U3-UC	Deemed	Chargeback	E.g. 6C	RET	E.g. 7C (Next Settlement Cycle)	URCS will reject the RET and do the auto acceptance of chargeback (New Functionality)	UA	9877	Auto acceptance of chargeback will be done by the URCS
P2P-U3-UC	Deemed	Chargeback	E.g. 6C	TCC	E.g. 6C (Same Settlement Cycle)	URCS will Reject Chargeback and process TCC (Existing Functionality - No change)	NA	NA	NA
P2P-U3-UC	Deemed	Chargeback	E.g. 6C	TCC	E.g. 7C (Next Settlement Cycle)	URCS will auto Representment the chargeback (New Functionality)	UR	9879	Auto re-presentment of chargeback will be done by the URCS

Auto acceptance of the chargeback is applicable only for deemed approved P2P chargebacks. Not applicable for deferred chargebacks.
Auto acceptance/re-presentment is applicable for bulk upload and UDIR based RET & TCC (102/103) only.
Not Applicable for front end option, because if chargeback is already raised then URCS will show the chargeback accept/reject option to beneficiary bank, not the RET & TCC (102/103).
Other than above mentioned two points there are no changes in any of the dispute rules/process such as TAT, penalties, compensation, cutovers, settlement, fees, GST, reports/files etc.
Member banks should ensure to raise correct TCC (102/103) to avoid moving the chargeback lifecycle to pre-arbitration/arbitration.

The above functionality will be implemented in URCS *with effect from Feb 15, 2025.*

Member banks are advised to take a note of the above and disseminate the information contained herein to the officials concerned.

Warm Regards,

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Giridhar GM
Chief – Customer Success