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RBI extends recurring payments feature to UPI

BY ASHWIN MANIKANDAN, ET BUREAU | JAN 10, 2020, 07.40 PM IST

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MUMBAI: The Reserve [Bank of India \(RBI\)](#) will now allow consumers to give an e-mandate for recurring [payments](#) made through [Unified Payments Interface \(UPI\)](#), a move that is expected to ease small digital payments made at grocery shops and local stores.

This functionality will allow UPI users to bypass additional factor authentication (AFA) every time a payment is made to a regular merchant by giving a onetime instruction to the UPI service provider. This facility was earlier available for card and wallet based payments.

“On a review of the developments since this facilitation, it has been decided to extend the above instructions to cover UPI transactions as well,” the Reserve Bank of India notified on Friday, adding that the same guidelines on recurring payments currently applicable for the above-mentioned instruments will apply for UPI payments as well.

The limit on such recurring transactions has been set at Rs 2000. To initiate the facility on their payment device, customers will have to provide the merchant’s name, timeframe for recurring payments to be applicable and a payment limit, as per the existing RBI guidelines. The validity of the onetime mandate can be cancelled at any time by the customer.

“During the registration process, the cardholder shall be given an option to provide the e-mandate for either a pre-specified fixed value of recurring transaction or for a variable value of the recurring transaction; in the case of the latter, the cardholder shall clearly specify the maximum value of recurring transactions, subject to the overall cap fixed by the RBI,” the central bank said.

The measure was first proposed by the RBI in November last year along with a slew of other measures to widen India’s digital payments landscape. India’s retail digital transaction volume and value has grown at a CAGR of 61 percent and 39 percent respectively since 2015. More than 131 crore transactions worth Rs 2 lakh crore were processed in December alone through UPI.

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