

NPCI/UPI/OC-83/2019-20

16th March, 2020

All Member Banks, Unified Payments Interface (UPI)

Dear Sir/ Madam,

**Introduction of Cash withdrawal services at merchant location using UPI**

This circular introduces Cash withdrawal service at merchant location using UPI platform. This service is in line with the existing facility available at “Cash at Point-of-Sale (PoS)” enabled by the Cards.

Presented below are the broad guidelines and compliance requirements to implement this service:

1. The transaction limits shall be Rs.1000 per day in Tier 1 and Tier 2 centres and Rs.2000 per day in Tier 3 to Tier 6 centres. Only 3 transactions shall be permitted per account per Payee UPI ID.
2. Interchange of 0.5% of the transaction value, subject to a cap of Rs. 5 will be applicable for these transactions. Issuer may decide to charge customer up to 1% of transaction value, capped at Rs.10.
3. NPCI and PSP fees shall be applicable as per the existing UPI P2P model.
4. Shared below are the commercials applicable for these transactions;

Fee category	Paid by	Paid to	Fee/ transaction
Customer Convenience fee	Customer	Remitter Bank	Up to 1% of the transaction value; capped at Rs. 10/-
Interchange fee	Remitter Bank	Payee PSP	0.5% of the transaction value
Switching fee	Remitter Bank	NPCI	As per current P2P pricing
PSP fee	Remitter Bank	Payer PSP	

5. The Payee PSP and TPAPs/Apps shall be responsible for due diligence and on-boarding of merchants as per regular merchant on-boarding applicable rules.
6. If the facility for cash withdrawal using UPI is available at the merchant location, Payee-PSP shall ensure that the facility be available irrespective of whether the customer makes a purchase or not.
7. Merchant establishments designated by the app provider shall clearly and prominently indicate/ display the availability of this facility along with the charges the customer has to bear (As per point 2).
8. TPAPs/Apps shall make separate enablement for this transaction in their UPI enabled app and populate the above mentioned MCC allocated by NPCI in the push based transaction. Before taking the transaction confirmation from the user, the TPAP/App shall inform the user that this is a 'Cash Withdrawal' transaction and the associated cost that the user will have to bear. The user should know total debit amount including the charges applicable. All UPI confirmations and notifications pertaining to the transaction should call out the cash out amount distinctly.

9. Members are advised to use **MCC - 6010** for these transactions. Acquirer shall ensure compliance that the merchant shall not charge any additional charge to the customer for this service.
10. Remitter banks are advised to undertake suitable development at their end to enable the service from 1<sup>st</sup> June 2020.
11. Acquiring PSP shall ensure provision of a customer service grievance redressal mechanism including issues related to disbursement of counterfeit currency by the on-boarded merchants. It shall also ensure compliance to the instructions stipulated by Reserve Bank of India in respect of KYC and AML.

Members are hereby requested to take note of the above and bring the contents of the circular to the notice of the relevant stakeholders.

Yours faithfully,



Praveena Rai

**Chief Operating Officer**