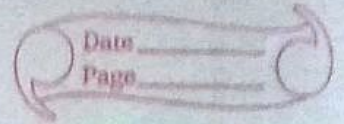Chirag. C. Shilwant
2020201061

UPI Architecture

Challenges for Ecosystem Growth

- System scalability
- Lack of Awareness
- High cost of acquiring infrastructure.
- MDR acts a disimcentive
- Slow technology Adaption rate
- Lack of Acceptance touch points
- Barriers for Innovation.
- Increasing Security Requirements.

Pillars of Unified Payments Interface (UPI)

- Interoperable platform
- Real-Time payments
- Open Banking [Using bank system now anyone can provide service]
- API driven
- Integrated with multiple servicing channels (Flexible API's)
- Collaborative Engagement Model-
- Runs on Aliases as well.

Service features of UPI

- Its fully open source.
- Cross-border transactions are possible-
- All types of retail payments.
- Exhaustive funding sources
- Direct Currency Conversion

Participants in UPI

- NPCI
- Payer PSP
- Payee PSP
- Bank Account Holders
- Merchants
- Remitter Bank
- Beneficiary Bank

Benefits of UPI

Benefits for banks -

- Single click Two factor Authentication
- Safer, secured and Innovative
- Universal Application for transaction
- Enable seamless merchant transactions

Benefits for End customers -

- Round the clock availability
- Single click authentication
- Raise Complaint from Mobile App directly
- Use of Virtual ID is more secure.

Benefits for Merchants -

- In-App Payments (IAP)
- Resolves the COD collection problem
- Seamless fund collection from customers
- Suitable for E-Commerce & M-Commerce transaction.