



National Payments Corporation of India (NPCI)

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The Committee on Digital Payments was constituted by the Ministry of Finance, to review the payments system in the country and to recommend appropriate measures for encouraging digital payments.

NPCI has been set up as an umbrella organization owned and operated by the banks. NPCI has been authorised by Reserve Bank of India under the PSS Act, 2007 to operate the following Payment Systems:

- i. National Financial Switch (NFS)
- ii. Immediate Payment System (IMPS)
- iii. Affiliation of RuPay Cards (debit cards/ prepaid cards) issued by banks and co-branded credit cards issued by non-banking financial companies (NBFCs) or any other entity approved by the RBI.
- iv. National Automatic Clearing House (ACH)
- v. Aadhaar Enabled Payments System (AEPS)
- vi. Operation of Cheque Truncation System

In terms of the various provisions of the Payment and Settlement Systems Act, 2007, RBI is empowered to regulate and oversee all payment systems. The authorised payment system operators including NPCI are required to follow the operational and technical standards laid out by RBI for the functioning of these systems, follow the directions issued and submit the information / returns prescribed. RBI also conducts supervision of NPCI (both off-site and on-site) and also empowered to revoke authorisation and impose penalties / initiate prosecution proceedings for violations of the Act, the Regulations, the directions issued by it and the terms and conditions of authorisation.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Lok Sabha today.

DSM/KA

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