

File No. 9/27/2023-FI (Part)
Government of India
Ministry of Finance
Department of Financial Services

Date: March 13, 2024

Subject: Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M)

Vide Gazette Notification No **CG-DL-E-12032024-252902** dated 12th March, 2024, Government has notified the “Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M)” at a financial outlay of ₹ 3,500 cr. The duration of the scheme is one year i.e. from 01.04.2023 to 31.03.2024.

2. This will provide financial incentive to acquiring banks as per the incentive rates and other details given below:

Category	Incentive rate per transaction
Transactions using RuPay Debit Cards at point-of-sale (PoS) and through e-commerce (ecom)	
Other than industry programmes	0.40%, capped at ₹ 100
Industry programmes*	0.15%, capped at ₹ 6
* i.e., Insurance, Mutual funds, all kind of payments to various Government departments/agencies, Education, Railways, Agriculture, Fuel, Jewelry & Hospitals	
BHIM-UPI P2M transactions (up to ₹ 2,000)	
Other than industry programmes	0.25%
Industry programmes**	0.15%
** i.e., Insurance, Mutual funds, all kind of payments to various Government departments/agencies, Education, Railways, Agriculture, Debt Collections, Fuel, Petroleum products, Point of interaction funding transaction, Telecommunications, Utility payments, Business/Personal services and Hospitals	

3. The financial outlay for the scheme is ₹ 3,500 cr, with ₹ 500 cr allocated for RuPay Debit Card and ₹ 3,000 cr allocated for BHIM-UPI. While, the allocation will be fungible from BHIM-UPI to RuPay Debit Cards but vice versa is not applicable.
4. NPCI to conduct stakeholder consultation and decide incentive sharing percentage distribution between banks and other payment system operators & app providers (Acquirer Bank, Issuer Bank, Payer PSP and Payer App).
5. **Claim Submission Process:** The procedure to be followed by Department of Financial Services (DFS) to disburse the incentive to the Acquirer Banks is as follows:

- 5.1 Acquirer Banks are required to submit claims of each quarter (FY 2023-24) to DFS for availing the incentives in respect of the applicable transactions under the Scheme.
- 5.2 The Banks are required to submit the summary data w.r.t. ON-US transactions done through RuPay Debit Card and BHIM-UPI (upto ₹ 2,000 only) to NPCI. The necessary instructions in this regard will be issued by NPCI to the Banks.
- 5.3 NPCI will collate the data of the eligible transactions under the Scheme and carry out due-diligence for calculating the claim amount for each Bank.
- 5.4 NPCI will upload Bank-wise report (in the prescribed format) (ref. **Annex-I.A & I.B**) of the claim amount eligible under the Scheme for every quarter to DFS on the Portal (<https://digipay.gov.in/dashboardISB/Pages/index.htm>).
- 5.5 NPCI, along with Reports, will also upload a certificate (in the prescribed format) (ref. **Annex-II**), signed by MD& CEO, NPCI; and External Auditor's certificate (ref. **Annex-III**) on the correctness of data/information given in the report. NPCI will appoint an external auditor to ensure transparency in the process.
- 5.6 NPCI is required to submit bank wise claims of quarter 1, 2 and 3 (FY 2023-24) to DFS for availing the incentives in respect of the applicable transactions under the Scheme by 15th March 2024 and for quarter 4 by 30th April 2024.

6. **Additional Submissions:** At the end of scheme in March 2024, NPCI shall provide:
 - 6.1. Bank (Issuer) wise volume of RuPay Debit Card transactions (PoS & Ecom) for the fourth quarter of FY 2022-23 and FY 2023-24 of all acquiring Banks (individually) at the end of the last quarter of the scheme.
 - 6.2. Bank (as remitter) wise volume of BHIM-UPI transactions (restricted to P2M) for the fourth quarter of FY 2023-24 of all acquiring Banks (individually) at the end of the last quarter of the scheme.
 - 6.3. Bank (as remitter) wise volume of "BHIM-UPI Lite/BHIM-UPI LiteX" P2M transactions for the fourth quarter of FY 2023-24.
 - 6.4. As Payer PSP, list of Bank enabled at least one of four approaches on "UPI Conversational Payments- Hello! UPI" in app and "BHIM-UPI 123Pay" on the existing BHIM UPI framework during the scheme period and enablement as per the UPI guidelines

7. **Miscellaneous:** Scheme implementation shall be in accordance with the following:
 - 7.1. NPCI to store the transactional data in the repository and provide access to data, as and when required by DFS.
 - 7.2. The entire process from submitting claims to receiving the incentive amount will be paperless and electronic.

Annex-I

A)

Statement on Quarterly Incentive Claim for RuPay Debit Card and BHIM-UPI P2M transaction (Up to ₹ 2,000) between DD-MM-YY and DD-MM-YY

Claim amount details for RuPay Debit Card Transactions

SN	Bank Name	Incentive Rate per Txn. (Other than Industry Programmes)	Number of RuPay Txn. (Other than Industry Programmes)	Value of RuPay Txn. (Other than Industry Programmes)	RuPay- (Other than Industry Programmes) Claim Amount (₹)	Incentive Rate per Txn. (Industry Programmes*)	Number of RuPay Txn. (Industry Programmes*)	Value of RuPay (Industry Programmes*)	RuPay (Industry Programmes*) Claim Amount (₹)	Total Txn. Volume	Total Claim Amount (in ₹)
A	B	C	D	E	F	G	H	I	J	K=D+H	I=F+J
1	Bank A	0.40% (Max. ₹ 100 per Txn.)				0.15% (Max. ₹ 6 per Txn.)					
2	Bank B	0.40% (Max. ₹ 100 per Txn.)				0.15% (Max. ₹ 6 per Txn.)					
3	Bank C	0.40% (Max. ₹ 100 per Txn.)				0.15% (Max. ₹ 6 per Txn.)					
Total											

* Industry Programmes, i.e., Insurance, Mutual Fund, Government, Education, Railways, Agriculture, Fuel, Jewelry and Hospital.

Claim amount details for BHIM-UPI Transactions

SN	Bank Name	Incentive Rate per Txn. (Other than Industry Programmes)	Number of BHIM-UPI Txn. (Other than Industry Programmes)	Value of BHIM-UPI Txn. (Other than Industry Programmes)	BHIM-UPI - (Other than Industry Programmes) Claim Amount (₹)	Incentive Rate per Txn. (Industry Programmes*)	Number of BHIM-UPI Txn. (Industry Programmes*)	Value of BHIM-UPI Txn. (Industry Programmes*)	BHIM-UPI (Industry Programmes*) Claim Amount (₹)	Total Txn. Volume	Total Claim Amount (in ₹)
A	B	C	D	E	F	G	H	I	J	K=D+H	I=F+J
1	Bank A	0.25%				0.15%					
2	Bank B	0.25%				0.15%					
3	Bank C	0.25%				0.15%					
Total											

* Industry Programmes, i.e., Insurance, Mutual fund, Government, Education, Railways, Agriculture, Debt Collections, Fuel, Petroleum products, POI Funding transaction, Telecommunication, Utility payments, Business/ Personal Services and Hospital.

B) Bank-wise Detailed Data Statement on Quarterly Incentive Claim for RuPay Debit card between DD-MM-YY and DD-MM-YY

SN	Bank Name	Ticket Size < 25,000			Ticket Size >= 25,000			Ticket Size < 4,000			Ticket Size >= 4,000			Total					
		Other than Industry Programmes			Other than Industry Programmes			Industry Programmes*			Industry Programmes*								
		Incentive Rate			Incentive Rate			Incentive Rate			Incentive Rate								
		0.4% of Txn. value for every Txn.			₹ 100 per Txn.			0.15% of Txn. value for every Txn.			₹ 6 per Txn.								
		Number of RuPay Txn.	Value of RuPay Txn.	RuPay-Claim Amount (₹)	Number of RuPay Txn.	Value of RuPay Txn.	RuPay-Claim Amount (₹)	Number of RuPay Txn.	Value of RuPay Txn.	RuPay-Claim Amount (₹)	Number of RuPay Txn.	Value of RuPay Txn.	RuPay-Claim Amount (₹)	Total Txn. Volume	Total Txn. Value(in ₹)	Total Claim Amount (in ₹)			
A	B	C	D	E= D*0.4%	F	G	H= F*100	I	J	K= J*0.15%	L	M	N= L*6	O= C+F+I+L	P= D+G+J+M	Q= E+H+K+N			
1																			
2																			
3																			

* Industry Programmes, i.e., Insurance, Mutual fund, Government, Education, Railways, Agriculture, Debt Collections, Fuel, Petroleum products, POI Funding transaction, Telecommunication, Utility payments, Business/ Personal Services and Hospital.

Annex-II

Statement on Quarterly Incentive Claim for RuPay Debit card and BHIM-UPI transactions (Up to ₹ 2000) (P2M)

Certificate

TO WHOM SO EVER IT MAY CONCERN

This is to certify that incentive claim for RuPay Debit card and BHIM-UPI transactions (up to ₹ 2,000) (P2M), attached as Annex-I (Bank-wise Incentive amount) for the quarter from _____ to _____, is correct to the best knowledge and as per the extant norms framed by the Government of India vide Gazette Notification CG-DL-E-12032024-252902 dated 12.03.2024.

This certificate is issued in compliance of instructions mentioned in the SOP issued by DFS for the incentive scheme for promotion of RuPay Debit cards and low-value BHIM-UPI transactions (P2M) dated 13.03.2024.

Managing Director & Chief Executive Officer

National Payments Corporation of India

Seal

Annex-III

**Report on Quarterly Incentive Claim for RuPay Debit card and BHIM-UPI transactions
(up to ₹ 2,000) (P2M)**

TO WHOM SO EVER IT MAY CONCERN

**Audit Certificate signed by External
Auditor**