

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

Date: 13th March, 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 March 12, 2024 it has been notified that Government has approved the proposal to continue the “Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M)”, for a period of one year and 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, Jewellery & 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. Secretary, Department of Financial Services (DFS), in consultation with Financial Advisor (DFS) and NPCI, may review from time to time the utilisation of funds under the scheme and, accordingly, make changes, if required, in the scheme including adding or omitting merchant categories included in industry programmes.

5. Upon considering the claim amount submitted by Bank and NPCI, lower of the two amount will be considered. Reimbursement of claims of banks will be done on a quarterly basis, to the following extent:

5.1 For the first, second, and third quarter of the scheme, 100% of the admitted claim amount for the bank to be disbursed and for the fourth quarter of the scheme, 90% of the admitted claim amount for RuPay and 80% of the approved claimed amount for BHIM-UPI for the bank to be disbursed;

5.2 The reimbursement of the remaining percentage of the admitted claim amount for fourth quarter will be contingent upon fulfilment of the condition in clause 5.2.1 for RuPay Debit Card and 5.2.2 & 5.2.3 for BHIM-UPI (as illustrated in Annex – VI):

5.2.1 Acquirer Bank (which submits the claims) has to show at least 5% growth in January'24-March'24 over January'23-March'23 in the number of RuPay Debit Cards transactions (PoS and e-commerce transactions) “as Issuer”, to be eligible for reimbursement of 10% of the remaining admitted claim of fourth quarter i.e., January'24 - March'24.

5.2.2 Acquirer Bank has to enable the features of BHIM-UPI Lite and BHIM-UPI LiteX “as Remitter” and to show at least 5% of BHIM-UPI P2M transactions on BHIM-UPI Lite/BHIM-UPI LiteX during the last quarter of the scheme, to be eligible for reimbursement of 10% of the admitted claim for the fourth quarter.

5.2.3 Acquirer Bank has to enable “UPI Conversational Payments- Hello! UPI” in app and “BHIM-UPI 123Pay” (any of the four approaches) “as Payer PSP”, to be eligible for reimbursement of 10% of the admitted claim for the fourth quarter.

6. Claim Submission Process: After deliberation with NPCI, the following requirements for availing the incentives by the Bank under the Scheme are hereby communicated:

6.1 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.

6.2 The Banks are required to follow the following process to submit the claims for consideration under Scheme:

6.2.1 Enter the details of the claim in the e-Form (Claim Submission Form) on the web portal (<https://digipay.gov.in/dashboardISB/Pages/index.htm>) (ref. **Annexure-I**).

6.2.2 **Upload Form-A:** Claim Summary, signed by a representative of the Bank, not below the rank of General Manager (ref. Annexure-II).

6.2.3 **Upload Form-B:** Concurrent Auditor Certificate, signed by the relevant bank official and certified by a Concurrent Auditor (ref. Annexure-III).

6.2.4 **Upload Form-C:** Certificate from Executive Director and representative of the Bank, not below the rank of Sr. GM/ Senior Vice President/ Equivalent (ref. Annexure-IV).

6.2.5 **Upload Form-D:** Statutory Auditor Certificate, in respect of the entire scheme year is certified by the Statutory Auditor of the Bank. (ref. Annexure-V). Form-D only necessary when the claim for the fourth quarter is submitted. This additional requirement may be incorporated in the scope of Statutory Audit and Terms of Engagement of the Statutory Auditor by the Bank.

6.2.6 Acquirer Banks are required to submit 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.

7. Banks must take into consideration the following points while submitting the claims for availing the incentive under the Scheme:

7.1 Only payments done through RuPay Debit Cards and BHIM-UPI (P2M) will be eligible for claiming the incentive.

7.2 Only person to merchants (P2M) transactions will be considered.

7.3 Transactions done from BHIM-UPI of value up to ₹ 2,000 are eligible under the scheme.

7.4 Only transactions relating to Banks having operations in India and transactions (in ₹) done

in India will be considered.

7.5 Payments done through Prepaid and Credit Cards and transactions done through Open/Closed/ Semi Closed prepaid instruments will not be considered.

7.6 Acquirer banks are not to claim reimbursement on such transactions that were approved but reversed/cancelled subsequently. The said transactions to be excluded from quarter 1 itself. The final cut-off of considering reversal is 31st March 2024.

7.7 Acquiring Banks to claim the incentive for partial refund transactions for each quarter.

8. Miscellaneous: All claim submissions shall be in accordance with the following:

8.1 Banks are required to fully comply with section 10A of the Payment and Settlement Systems Act, 2007, and further amendments.

8.2 DFS reserves the right to seek additional data from banks, as and when required by DFS.

8.3 The entire process from submitting claims to receiving the incentive amount will be paperless and electronic.

8.4 Incentive sharing percentage distribution among banks and other payment system operators & app providers (Acquirer Bank, Issuer Bank, Payer PSP and Payer App) is attached as Annexure VII.

**Format for e-Form (Claim Submission Form) for
submission of claim on the Portal**

1. Claim Submission Form for RuPay Debit Card Transactions:

Bank Name: -----		Quarter: -----			
S.No.	Mode Name	Applicable Incentive in (%)	Transaction Volume	Transaction Value (in ₹)	Claim Amount (in ₹)
1.	PoS and eCom transactions (other than Industry Programmes)	0.40% (Max. ₹ 100 per Txn.)			
2.	PoS and eCom transactions (Industry Programmes*)	0.15% (Max. ₹ 6 per Txn.)			
Total Claim for RuPay (in ₹)					

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

2. Claim Submission Form for BHIM-UPI P2M Transactions (upto ₹ 2,000):

Bank Name: -----		Quarter: -----			
S.No.	Mode Name	Applicable Incentive in (%)	Transaction Volume	Transaction Value (in ₹)	Claim Amount (in ₹)
1.	Other than Industry Programmes	0.25% (per Txn.)			
2.	Industry Programmes*	0.15% (per Txn.)			
Total Claim for BHIM-UPI (in ₹)					

* **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.

Annexure- II

Form-A

**Statement on Quarterly Incentive Claim for RuPay Debit Card and BHIM-UPI P2M transactions (upto ₹ 2,000) Between
DD-MM-YYYY and DD-MM-YYYY**

Bank Name:											
RuPay Debit Card transactions						BHIM-UPI P2M transactions upto ₹ 2,000					
S.No.	Type	Incentive Rate per Txn.	Transaction Volume	Transaction Value (in ₹)	Claim Amount (in ₹)	S.No.	Type	Incentive Rate per Txn.	Transaction Volume	Transaction Value (in ₹)	Claim Amount (in ₹)
1.	Other than Industry Programmes	0.40% (Max. ₹ 100 per Txn.)				1.	Other than Industry Programmes	0.25% (per Txn.)			
2.	Industry Programmes*	0.15% (Max. ₹ 6 per Txn.)				2.	Industry Programmes#	0.15% (per Txn.)			
3.	Total Claim	NA				3.	Total Claim	NA			

Total Incentive = Total Claim for RuPay + Total Claim for BHIM-UPI	₹ in Figures	
	₹ in Words	

*:- **Industry Programmes (RuPay)**, i.e., Insurance, Mutual Fund, Government, Education, Railways, Agriculture, Fuel, Jewellery and Hospital.

#:- **Industry Programmes (BHIM- UPI)**, i.e., Insurance, Mutual Fund, Government Education, Railways, Agriculture, Debt Collection, Fuel, Petroleum Products, POI Funding Transactions, Telecommunication, Utility Payments, Business/ Personal Services and Hospital.

Signature (To be signed by GM and above)

Seal

Form-B

Certificate from Concurrent Auditor

We certify that:

- A. The records, as per Form-A **Quarterly Incentive Claim** relating to the transactions carried out by the (Bank _____) are correct.
- B. The amount of ₹_____ (in Number) that is ₹_____ (in Words) claimed as incentive for the quarter from _____ to _____ has been audited and found correct taking into the account the volume and value of transactions eligible under the scheme "**Incentive Scheme for promotion of RuPay Debit Cards and Low Value BHIM-UPI transaction (P2M)**" notified vide Gazette Notification No - CG-DL-E-[12032024-252902](#) dated March 12, 2024.
- C. Only transactions done via RuPay Debit Card (PoS & Ecom) and BHIM-UPI (P2M transaction with value up to ₹ 2,000) have been considered while calculating the claim amount.
- D. Only transactions relating to Banks having operations in India and transactions done in India (in ₹) will be considered.
- E. Cash withdrawal transactions at POS with RuPay Debit Cards have not been included in claim.
- F. Payments done through Prepaid and Credit cards have not been considered. Transactions done through Closed/ Semi Closed instruments have also not been considered.
- G. We confirm that no such transactions that are already covered under any other existing Government Scheme have been included in the claim.
- H. We confirm that no claim has been made for approved transactions that were reversed/ cancelled subsequently.
- I. We confirm that Bank and their Third Party Application providers are fully comply with section 10A of the Payment and Settlement Systems Act, 2007, and further amendments.

CA Firm Name

Membership No.

Seal

Form-C

Certificate from Executive Director

This is to certify that incentive claim for RuPay Debit Card (P2M) and BHIM-UPI (P2M transactions up to ₹ 2,000) submitted for the quarter from _____ to _____ is correct and as per the extant norms framed by the Government of India vide Gazette Notification No - CG-DL-E-[12032024-252902](#) dated March 12, 2024. Also, I confirm that Bank and their Third-Party Application providers are fully comply with section 10A of the Payment and Settlement Systems Act, 2007, and further amendments.

This certificate is issued in compliance of the instructions contained in DFS Circular dated 13th March, 2024.

Sr. GM/ Senior Vice President

Executive Director

(Name of the Bank)

(Name of the Bank)

Seal

Seal

Form-D

Certificate from Statutory Auditor

We certify that:

- A. The records, as per Form-A **Quarterly Incentive Claims** relating to the transactions carried out by the (Bank _____) are correct.
- B. The amount of ₹_____ (in Number) that is ₹_____ (in Words) claimed as incentive for the financial year 2023-24 i.e. from 01.04.2023 to 31.03.2024 has been audited and found correct taking into the account the volume and value of transactions eligible under the scheme "**Incentive Scheme for promotion of RuPay Debit Cards and Low Value BHIM-UPI transaction (P2M)**" notified wide Gazette Notification No - CG-DL-E-12032024-252902 dated March 12, 2024.
- C. Only transactions done via RuPay Debit Card (PoS & Ecom) and BHIM-UPI (P2M transaction with value up to ₹ 2,000) have been considered while calculating the claim amount.
- D. Only transactions relating to Banks having operations in India and transactions done in India (in ₹) will be considered.
- E. Cash withdrawal transactions at POS with RuPay Debit Cards have not been included in claim.
- F. Payments done through Prepaid and Credit cards have not been considered. Transactions done through Closed/ Semi Closed instruments have also not been considered.
- G. We confirm that no such transactions that are already covered under any other existing Government Scheme have been included in the claim.
- H. We confirm that no claim has been made for approved transactions that were reversed/ cancelled subsequently.
- I. We confirm that Bank and their Third Party Application providers are fully comply with section 10A of the Payment and Settlement Systems Act, 2007, and further amendments.

CA Firm Name

Membership No.

Seal

Illustration of point 6**Eligibility 1: Release of 10 % amount of Q4 pertaining to “RuPay transaction growth:**

SN	Scenario	RuPay Growth as Issuer (PoS & Ecom)	Eligibility for 10 % of Q4 Approved Amount
1	Bank A	<5%	Not Eligible
2	Bank B	≥5%	Eligible

Eligibility 2: Release of 10 % amount of Q4 pertaining to BHIM-UPI Lite/BHIM-UPI LiteX transaction:

SN	Scenario	BHIM-UPI Lite/BHIM-UPI LiteX as % of total UPI Merchants transaction for Q4 FY2022-23	Eligibility for 10 % of Q4 Approved Amount
1	Bank A	<5%	Not Eligible
2	Bank B	≥5%	Eligible

Eligibility 3: Release of 10 % amount of Q4 pertaining to “UPI Conversational Payments-Hello! UPI” AND “BHIM-UPI 123PAY”:

SN	Scenario	UPI Conversational Payments- Hello! UPI” Enablement	BHIM - UPI 123Pay Enablement	Eligibility for 10 % of Q4 Approved Amount
1	Bank A	Not enabled	Enabled	No Eligible
2	Bank B	Enabled	Not enabled	No Eligible
3	Bank C	Not enabled	Not enabled	No Eligible
4	Bank D	Enabled	Enabled	Eligible

Annexure- VII

Incentive sharing percentage distribution among Banks and other payment system operators & app providers shall be as follows:

1. RuPay Debit Card Incentive Sharing Structure:

Merchant Category	Incentive rate per transaction to be paid by Government to Acquirer	Incentives to be paid by Acquirer to Issuer (Via NPCI)
PoS and E-Com transactions (other than Industry Programmes)	40 bps [^] capped at Rs. 100	25 bps capped at Rs. 63
PoS and E-Com transactions (Industry Programmes*)	15 bps capped at Rs.6	10 bps capped at Rs. 4

* i.e., Insurance, Mutual funds, all kind of payments to various Government departments/agencies, Education, Railways, Agriculture, Fuel, Jewellery & Hospitals

^ Note: 1% is 100 bps

2. BHIM-UPI Incentive Sharing Structure:

Merchant Category	Incentive rate per transaction by Government to Acquirer	Incentives for Issuer (Via NPCI from Acquirer to Issuer)	Incentives for Payer PSP Bank & Payer UPI App (Via NPCI from Issuer to Payer PSP Bank)	Payer APP (From Payer PSP Bank to Payer APP)
Other than Industry Programs	25 bps	16.25 bps	5 bps	2.5 bps
Industry Programs**	15 bps	9.75 bps	3 bps	1.5 bps

** 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