Parliamentary Bill Introduced on UPI Charges; RBI Holds Adequate Surplus

The Union Government introduced a Bill in Parliament enabling notification of specific UPI transactions for fees, while RBI holds surplus funds.

Unified Payments Interface (UPI) is an instant real-time payment system developed by the National Payments Corporation of India (NPCI) for inter-bank transactions.

KEY EXAM POINTS

- The **Union Government** introduced a **Bill in Parliament** allowing notification of UPI transaction types that can attract merchant or user charges.
- UPI transaction volume grew by **425%** over the last **five years** in India.
- The surplus funds transferred by **RBI** to the **Union Government** grew at double the growth rate of UPI transaction volume.
- **RBI Governor** **Sanjay Malhotra** stated that transaction costs are currently borne by banks and the central bank.
- So far, **UPI transactions** have remained completely free for merchants and retail customers across the country.

STATICS & SYLLABUS FOCUS

Unified Payments Interface (UPI) was launched in **2016** by the National Payments Corporation of India (**NPCI**).

National Payments Corporation of India (NPCI) was founded in **2008** under the **Payment and Settlement Systems Act, 2007**.

NPCI is an initiative of the **Reserve Bank of India** (RBI) and the **Indian Banks' Association** (IBA).

Section 47 of the **Reserve Bank of India Act, 1934** deals with the transfer of RBI's surplus profits to the Central Government.

Reserve Bank of India was established on **April 1, 1935** under the Reserve Bank of India Act, 1934 based on the **Hilton Young Commission** recommendations.

Reserve Bank of India was nationalised on **January 1, 1949**.

Payment and Settlement Systems Act was enacted by the Indian Parliament in the year **2007**.

REVISION FLASHCARD

NPCI was established in 2008 under the Payment and Settlement Systems Act, 2007; UPI was launched in 2016.

Syllabus Relevance: High relevance for Group 1/2/4 on Statutory Bodies, RBI Act 1934, NPCI and digital governance legislation.