

NPCI /UPI/OC No.47

24th April, 2018

To,

All Member Banks - Unified Payments Interface (UPI) and BHIM App

Dear Sir/Madam,

Subject: Extension and modification of BHIM / BHIM UPI incentive/cashback scheme for individuals and cashback scheme for merchants

This is with reference to the notifications shared on 28th March 2018 by Government of India (No-12/13/2017-DPD-MeitY) regarding the extension and modification of BHIM Cashback Scheme.

The revised BHIM Scheme has been implemented by Government of India from 1st April 2018 onwards, for BHIM & BHIM UPI Apps users (customers & merchants). The period of the revised BHIM scheme is 12 months i.e. from 1st April 2018 till 31st March 2019. The scheme details are annexed as annexure A

UPI enabled Banks to follow guidelines as mentioned in the NPCI circulars numbers 21, 27 & 46 and any other relevant communication sent in this regard or is communicated in future. Banks need to confirm the necessary enablement to NPCI for inclusion in the scheme. As an on-going process, banks need to confirm this enablement by 20th each month to be part of scheme from the next month (e.g.: confirmation of change by 20th May 2018, will be considered as part of the scheme from 1st June 2018 onwards and so on). Banks need to confirm via email on brand@npci.org.in as well as to respective RMs along with screenshots. Banks that have already done changes and are part of the scheme do not have to inform again unless there are any changes in the existing APP or any new BHIM UPI app is introduced. Please note this scheme is run by Government of India and NPCI is an implementing agency and the right of inclusion/exclusion of any app/entity rest with the government.

The distribution of scheme amount shall be done in line with the existing process of BHIM scheme and shall be done directly into the customer's accounts. In case of merchant incentives, banks shall have to confirm the payout to the respective merchants account, especially incase single nodal account is used for onboarding multiple merchants.

For further details, please refer to the attached notification from MeitY for Customer & Merchant Cashback Scheme 2018.

Members are requested to make a note of above and circulate the same to their relevant teams.

Thanking you,

Yours faithfully,


Vishal Kanvaty
SVP - Products & Innovation

Annexures

- Annexure A: Scheme details
- Annexure B: Undertaking
- Annexure C: Handles details

Annexure A - Scheme details

1. About the scheme

MeitY through its notification (No-12/13/2017-DPD-MeitY) dated 28th March 2018 has extended & modified the existing BHIM referral bonus scheme for individuals and BHIM cashback scheme for merchants.

The scheme incentives both for customers and merchants and can be broadly classified in following 4 components:

- Incentive for on-boarding on BHIM APP (New Users)
- Incentive on transactions over BHIM UPI App(s) of the bank & BHIM App (All users)
- Incentive for BHIM merchants
- Incentive for BHIM UPI merchants

Component 1- Incentive for onboarding on BHIM APP

- This incentive is only for new BHIM app users.
- New BHIM app user will mean :
 - Any new user who downloads the BHIM app for the first time and does one successful financial transaction
 - Or
 - Existing BHIM user who has already downloaded BHIM APP but has not done any successful financial transaction.
 - Or
 - Existing BHIM user who is using BHIM APP only to receive money but has never done any successful pay (debit to his/her own account) transaction via BHIM App.
- It is possible that a user is new to BHIM App but may be an existing BHIM UPI user of the Bank. This user shall also be treated as new BHIM user and will be eligible for incentive, subject to fulfilling above conditions.
- New user can send money to any other BHIM UPI user of the bank through UPI ID, Account number + IFSC or mobile number or scanning QR or intent. Sending money transactions through AADHAAR number shall not be considered for the scheme benefit.
- The new user can either pay or accept collect request, in other words the customer's own account should get debited.
- The transaction shall cover both P2P as well as merchant (P2M) transaction.
- The incentive shall be paid on successfully completion of first financial transaction of any value
- Any user who satisfies above condition shall be paid Rs. 51 as the incentive.
- Incentive processing for this shall be done daily and for non-working days it shall be done on the next working day.
- Incentive pay-out shall be done T+3 working days.
- The scheme is also applicable to the *99# users.

Component 2- Incentive on transactions over BHIM & BHIM-UPI of the bank

- This incentive is applicable to both BHIM as well as BHIM UPI users of the bank.
- BHIM UPI app will only include bank's own PSP apps. It excludes all other apps including 3rd party apps.
- In case the 3rd party APPs have the same handle as the bank's own PSP apps, the onus of segregation of users shall be on the PSP.
- Only BHIM UPI APPs of the Bank that follow NPCI's brand guidelines as per the OC 27 & any other communication only shall be allowed to part of this scheme. In order to become eligible, all PSP bank apps shall have to provide necessary information and submit documents as & when required.
- Existing user can send money to any other BHIM or BHIM UPI user of the Bank through UPI ID, Account number + IFSC or scanning QR or intent. Sending money transactions through AADHAAR number shall not be considered for the scheme benefit.
- The existing user can either pay or accept collect request, in other words the customer's own account should get debited.
- The transaction shall cover both P2P as well as merchant (P2M) transaction.
- Since money can be sent using account +IFSC so it is not necessary that the payee has the UPI id or has downloaded any BHIM UPI app. However payee's bank will have to be part of the BHIM UPI ecosystem.
- This scheme is further divided into two parts :
 1. **Incentive for unique transactions**
 - Minimum transaction value - Rs 100
 - Incentive for unique transactions only, upper limit of 20 transactions in a month
 - Incentive of Rs. 25 per such transaction.
 - Potential to earn incentive up to Rs. 500 (Rs. 25x20 transactions) in a month
 2. **Incentive for volume transactions**
 - Minimum transaction value - Rs. 10
 - Three slabs and minimum transactions ≥ 25 to earn incentive
 - Incentive of minimum Rs. 100 /- & upto Rs 250 /-
 - ≥ 25 but less than 50 = Incentive Rs. 100/-
 - ≥ 50 but less than 100 = Incentive Rs. 200/-
 - ≥ 100 = Incentive Rs. 250/-
 - Only transactions fulfilling the minimum amount criteria (i.e. Rs. 10) shall be counted. In other words , a user does 24 transactions of which only 15 transactions are above or equal to 10 , then she/he shall have to do another 10 transactions for amount $\geq$ Rs. 10 to be eligible.
- All users of BHIM UPI and BHIM shall be entitled for this incentive and shall be able to potentially earn upto Rs. 750 (Rs. 500 for incentive on unique transactions + Rs. 250 for volume incentive for transactions above 100)
- The transactions done for above - if eligible shall be counted for both the components - for e.g. if any user does 25 unique transactions of Rs. 100 each , shall be entitled to receive incentive of Rs. 600 (Rs. 500 for unique user + Rs. 100 for volume based incentive)
- Further, in case a single user using BHIM, and any other BHIM UPI APP of the Bank with same credentials (mobile number & account number + IFSC) , incentive shall be paid by combining transactions done for both the apps (if qualifies) .
- Incentive shall be calculated for calendar month.
- Incentive processing for this shall be done monthly.
- Incentive pay-out shall be done by 10th of every month for previous month.

Component 3- Incentive for BHIM Merchant

- This incentive is only for BHIM app users.
- BHIM does not have any separate merchant category and has no merchant onboarding process
- Only customers who declare themselves as “I AM A MERCHANT “shall be eligible for this incentive.
- The incentive shall be for receiving money (payee).
- BHIM merchant can either receive money or initiate collect request, in other words the BHIM merchant’s own account should get credited.
- BHIM merchant can receive money from BHIM or any BHIM UPI user.
- These transaction shall carry MCC 0000 only and will be P2P transactions.
- Transactions will be only for UPI iID based transactions and for either money received or sending a collect request. The money can be received through scanning QR also.
- Incentive shall be calculated for calendar month.
- Incentive processing for this shall be done monthly.
- Incentive pay-out shall be done by 10th of every month for previous month.
- Incentive shall be paid for transactions number ≥ 10 , minimum transaction amount of Rs. 25 , incentive of 10% of transaction value with cap of Rs. 50 as the per transaction incentive and overall incentive of upto Rs. 1000.

<i>No. of credit transactions (per month)</i>	<i>Cashback to the merchant (at the end of the month)</i>	<i>Conditions</i>
Minimum credit transactions to be done to start earning the incentive $\Rightarrow \geq 10$	10% of the transaction value with an upper cap of incentive of Rs 50 per transaction	Minimum transaction value eligible for cashback is Rs. 25; Maximum cashback is Rs. 1000 per merchant per month. Calendar month will be used for calculation of “month”

- It is not necessary that the transactions are received from the unique customers for BHIM merchants to receive incentive/cashback.

Component 4- Incentive for BHIM-UPI Merchant of the Bank

- This incentive is only for merchants on-boarded on BHIM UPI by the banks either on their own or through 3rd party and receive credit transactions from BHIM/BHIM UPI as per the scheme criteria
- The incentive shall be for receiving money (payee).
- Merchant can either receive money or initiate collect request, in other words the merchant’s account should get credited.
- BHIM UPI merchant can receive money from BHIM or any BHIM UPI user.
- These transaction shall carry MCC other than 0000 and will be P2M transactions.
- UPI ID shall be the only unique identifier.
- Transactions will be only for UPIID based transactions and for either money received or sending a collect request. The money can be received through scanning QR & intent also.
- The incentive is payable to all BHIM UPI enabled merchant and for all banks. In case, the bank has not done the necessary changes in their own UPI App, even then the merchant acquired by the bank will be eligible for receiving cashback i.e. XYZ bank UPI App has

acquired ABC merchant. XYZ UPI App has not done the changes to their UPI XYZ App even then ABC merchant using XYZ UPI App is eligible for the cashback. All merchants with valid P2M transaction shall be considered.

- Incentive shall be calculated for calendar month.
- Incentive processing for this shall be done monthly.
- Incentive pay-out shall be done by 10th of every month for previous month.
- Incentive shall be paid for transactions number ≥ 5 , minimum transaction amount of Rs. 25, incentive of 10% of transaction value with cap of Rs. 50 per transaction incentive and overall incentive of up to Rs. 1000.

<i>No. of credit transactions (per month)</i>	<i>Cashback to the merchant (at the end of the month)</i>	<i>Conditions</i>
Minimum transactions to be done to start earning the incentive $\Rightarrow 5$	10% of the transaction value with an upper cap of incentive of Rs 50 per transaction	Minimum transaction value eligible for cashback is Rs. 25 Maximum cashback is Rs. 1000 per merchant per month. Calendar month will be used for calculation of "month"

- It is not necessary that the transactions are received from the unique customers for BHIM UPI Bank merchants to receive incentive/cashback.
- All 3rd party APPs as well as large organized UPI merchants are to be considered as part of merchant cashback scheme.

2. Incentive disbursement process

- NPCI analytics team shall carry out the process to find out the eligible users/merchants. For BHIM new users it shall be done daily and for others it shall be done monthly.
- The final eligible user list in the appropriate file shall be pushed to banks through the NACH system.
- Incentive amount to be credited to eligible user's bank a/c linked against the UPI ID directly.

Annexure B - Undertaking

(TO BE PROVIDED IN BANK LETTER HEAD).....

Date:

To,

National Payments Corporation of India
1001A, B wing, 10th Floor,
The Capital, Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051

Undertaking

Respected Sir/Madam,

This is with reference to BHIM Cashback Scheme for Customer & Merchant for the period of 1st April 2018 to 31st March 2019.

We, _____ (Bank Name), hereby, confirm that the Cashback/incentive provided to the Merchant/aggregators using a Nodal Account _____ for the Merchant transactions will be distributed to the end merchant's basis of the UPI ID's allotted to those Merchants.

The above is for your information & records.

Thanking You,

(Name)

[illegible]