

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 3294
TO BE ANSWERED ON 23-03-2018

CONCESSION TO WhatsApp PAY

3294. SHRI VIVEK K. TANKHA

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state?

- (a) whether it is a fact that National Payment Corporation of India (NPCI) has allowed WhatsApp Pay to use Unified Payments Interface (UPI) without abiding to all the provisions of Payment and settlements Systems Act 2007 during the beta Stage which is binding to all members of UPI;
- (b) if so, whether any such simillar concession was given to other popular payment apps/interfaces during their beta stages; and
- (c) the reasons for allowing such concessions to WhatsApp Pay in contravention of statutory requirements?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATIONTECHNOLOGY
(SHRI K. J. ALPHONS)

(a): The Reserve Bank of India (RBI) has given approval to the National Payments Corporation of India (NPCI) to set up and operate the Unified Payments Interface (UPI) as a payment system. All the services under UPI are presently offered by banks in their capacity as Payment Service Providers (PSPs).

The customer interfaces (apps) for accessing UPI may be provided by PSP banks either directly or through tie-ups with third party vendors, all of which has to be in adherence to the UPI Procedural Guidelines and other instructions issued on UPI technical, operational and commercial aspects, from time to time by the NPCI.

As advised by NPCI, WhatsApp is also one such third party app provider for UPI while the transactions will continue to be processed through the underlying PSP bank/s in adherence to UPI requirements. Presently, the beta version of Whatsapp app for UPI has been released for use by a limited number of subscribers.

(b): During the closed user group testing, NPCI has given time bound waivers on certain features / functionalities to other payments Apps too on need basis.

(c): At present, WhatsApp has a user base of over 225 million in India. Presently daily UPI transactions number is about 6 million. Therefore, in order to take a cautious approach

whereby the rise in transactions is commensurate with the strengthening of infrastructure by the PSPs (Payment Service Providers), NPCI has permitted a beta version, that is limited to 1million users and thereafter is expected to be gradually rolled out. Such due diligence is without contravention of statutory provisions.
