GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 546
ANSWERED ON TUESDAY, JULY 25, 2023 / SRAVANA 3, 1945 (SAKA)

DELAY OF MARKET CAP IMPLEMENTATION IN UPI

546. SHRI RAJMANI PATEL:
SHRI NARANBHAI J. RATHWA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that continuous delay of market cap implementation in Unified Payments Interface (UPI) is giving foreign players / companies the control of Indian financial data;

(b) if so, the reasons that foreign players are dominating the indigenous innovations even after the introduction of UPI in the country in 2020; and

(c) the stand of Government on duopoly and monopoly of foreign companies like Walmart and Google in UPI?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) As apprised by the Reserve Bank of India (RBI), the Third-Party Application Providers (TPAPs) provide user interface to customers for linking a bank account and initiate or receive UPI transactions. They are connected to the UPI network through Payment Service Provider (PSP) which are necessarily Banks. While the TPAPs have access only to the transaction level data like transaction amount, reference number, transaction date, etc., they do not have access to critical user information like bank account, UPI Pin, etc. Further, TPAPs do not handle funds in the entire transaction flow and they only pass the information to and fro through their PSP bank.

(b) & (c) National Payments Corporation of India (NPCI) has informed that the UPI framework provides completely open and level playing architecture where a customer can link his operative account to any UPI App. The UPI landscape has recently witnessed the emergence of several new players joining as TPAPs. Further, NPCI is working towards increasing the market share of BHIM App in UPI transactions. NPCI has also informed that the customers have a wide range of options with over 70+ providers competing in the open market to attract customers.

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