

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 4149
TO BE ANSWERED ON: 21.03.2018

BHIM UPI PAYMENT SERVICE

**4149. SHRI J.J.T. NATTERJEE:
ADV. JOICE GEORGE:
SHRI R. PARTHIPAN:**

Will the Minister of ELECTRONICS & INFORMATION TECHNOLOGY be pleased to state: -

- (a) the whether the Government has allowed Facebook-owned WhatsApp to beta test its BHIM UPI beta payments service recently and if so, the details thereof;
- (b) whether all the banks are participating in this and if so, the details thereof;
- (c) whether this will offer advantages such as transaction load distribution between banks and helps to integrate popular apps easily with BHIM UPI and if so, the details thereof; and
- (d) whether this move will increase the burden of participating banks and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI K J ALPHONS)

(a): No, Sir. National Payments Corporation of India (NPCI) which owns the BHIM UPI platform and was set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA) has an existing internal onboarding process for enabling new members on the platform. WhatsApp (Facebook) has also been on boarded through a similar process. WhatsApp beta launch was done on 6th February 2018. The beta version is to be available to 1 million customers till 31st March 2018.

(b): Customers of all the banks that are currently offering BHIM UPI service shall be able to use the payment functionality in the WhatsApp application. Currently 86 banks (as on 1st of March) are offering BHIM UPI services.

(c): WhatsApp is an addition to existing 3rd party apps and shall only be providing an interface. However the actual banking transactions – like in case of any other app- shall be done between the banks. In other words, any WhatsApp user (currently over 250 million) shall be able to get the benefit of BHIM UPI services, provided their bank is live on BHIM UPI. Considering that WhatsApp is one of the most used & popular mobile application, it is expected to facilitate the expansion of digital financial inclusion through adoption of BHIM UPI service and also help in our endeavor to more towards a less cash society. Like any other BHIM UPI APP, WhatsApp does not have to integrate with any other app, however for other apps to offer BHIM UPI service, integration with BHIM UPI is required.

(d): Government's initiatives are directed towards encouraging more digital transactions in the payment system. The entry of new entities such as WhatsApp in the payment ecosystem through integration with BHIM UPI will help in accelerating the pace of digitalization in the country. The participant banks on BHIM UPI will require to have necessary infrastructure to handle the increased volume. Since the volume enhancement is a continuous process and is a desired outcome, banks are constantly engaged in improving their infrastructure as well their other system level capabilities.
