**WHAT IS UPI?**

Common platform through which a person can transfer money from his bank account to any other bank account in the country instantly.

Indigenous Payment System via smart phone.

Efforts of RBI towards “LESS CASH” India.

Developed by the National Payments Corporation of India (NPCI) under the guidelines of the RBI.

Based on the Immediate Payment Service (IMPS) Platform.

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**UNIFIED PAYMENT INTERFACE**

**HOW WILL IT WORK?**

No need to know the payee's IFSC code, bank account details, etc.

Account mapping to be done by customer's own bank. Hence one can freely share the financial address with others.

Person can have Multiple Virtual Addresses for Multiple Accounts in various banks.

It will make the process simpler.

**HOW IS IT BETTER THAN EXISTING PAYMENT METHODS?**

No need for asking account details.

One can also raise payment requests.

Expected that even merchants and companies will widely use this platform.

**SIGNIFICANCE**

India - a cash intensive economy - cash to GDP ratio of over 12 per cent.

<table>
<thead>
<tr>
<th>Consumer Transactions (Cash)</th>
<th>by Volumes</th>
<th>by Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>~ 95 %</td>
<td>~ 65 %</td>
</tr>
<tr>
<td>Advanced Economies</td>
<td>~ 40-50 %</td>
<td>~ 10-20 %</td>
</tr>
</tbody>
</table>

UPIN is expected to change this.

Banks offering mobile banking services, not completely inter-operable (especially for merchant transactions). Hindrance for merchant or P2B (person-to-business) transactions.

Full operationalisation of UPI will facilitate inter-operability in P2B payments.

Bring down annual cost of currency operations - estimated ₹ 21,000 crore in India.