

**Course Name : O Level(B4-1st sem.)**

**Subject : ITT&NB**

**Topic : Unified Payment Interface**

**Date : 26-05-20**

**and Aadhaar Enabled Payment System(AEPS)**

### **Unified Payment Interface (UPI)**

A Unified Payment Interface (UPI) is a smartphone application which allows users to transfer money between bank accounts. It is a single-window mobile payment system developed by the **National Payments Corporation of India (NPCI)**. It eliminates the need to enter bank details or other sensitive information each time a customer initiates a transaction. UPI (Unified Payments Interface) is a unique payment system through which you can link your bank account to a mobile application and make transactions safely.

#### **UPI ID and PIN**

A UPI ID is a unique identification for a bank account that can be used to send and receive funds. UPI PIN is a 4-digit personal identification number that must be entered to authorize the transfer of money via UPI. The PIN can be chosen by the account holder.

#### **Key Features of UPI**

**Some of the features of UPI are listed below:**

- \* Instant transfer of fund through Immediate Payment Service (IMPS) which is faster than NEFT.
- \* Since it is completely digital, one can use UPI 24 hours and on all public holidays.
- \* Single mobile application for accessing various bank accounts.
- \* Uses Virtual Payment Address which is a unique ID as given by the bank.
- \* Uses Account Number with IFS Code and Mobile Number with MMID or Mobile Money Identifier.
- \* Every bank provides its own UPI for different platforms of Android, Windows, and IOS.
- \* Bill Sharing facility.
- \* Best for doing merchant payment, utility bill payments, OTC payments, Barcode based payments.
- \* One can file a complaint from Mobile App directly.

#### **Registration in UPI enabled application**

##### **Steps for Registration:**

- User downloads the UPI application from the App Store/Banks website.
- User creates his/her profile by entering details like name, virtual id (payment address), password etc.
- User goes to “Add/Link/Manage Bank Account” option and links the bank and account number with the virtual id.

#### **Working of Unified Payments Interface (UPI)**

UPI uses existing systems, such as Immediate Payment Service (IMPS) and Aadhaar Enabled Payment System (AEPS), to ensure seamless settlement across accounts. It facilitates push (pay) and pull (receive) transactions and even works for over-the-counter or barcode payments, as well as for multiple recurring payments such as utility bills, school fees and other subscriptions.

### **Sending Money vs. Receiving Money**

Sending money on the UPI is called a "push." For sending money, the user logs into the interface and selects the Send Money/Payment option. After entering the recipient's virtual ID and the amount desired, he chooses the account from which the money will be debited. The user then enters a special personal identification number (PIN) and receives a confirmation.

## **Aadhaar Enabled Payment System (AEPS)**

AEPS stands for 'Aadhaar Enabled Payment System'. It is a new payment service offered by the **National Payments Corporation of India** to banks, financial institutions using 'Aadhaar'.

It is an Aadhaar-enabled payment system. With the help of AEPS you can perform many basic banking transactions like making several payments, interbank or intrabank money transfer, making withdrawals, depositing cash, enquiring about your bank balance, etc. AEPS is a simple, safe and user-friendly platform for all your financial transactions.



### **What is an Aadhaar?**

An Aadhaar is a 12-digit unique number issued by the UIDAI (Unique Identification Authority of India) to the Indian residents.

### **Services Offered by AEPS**

- Cash Withdrawal
- Cash Deposit
- Balance Enquiry
- Aadhaar to Aadhaar Fund Transfer
- Mini Statement
- Best Finger Detection

### Benefits of AEPS

- Very easy usage
- Completely safe and protected method of payment
- Interoperable across many banks
- Using AEPS, bank account holders will be in a position to access their accounts in banks through Aadhaar authentication.
- With AEPS digital India payments, the only prerequisite needed for initiation of a transaction is Aadhaar number and the respective biometric information.

### Steps to use AEPS:

**Step 1:** Go to a micro ATM or banking correspondent

**Step 2:** Provide Aadhaar number and bank name

**Step 3:** Choose the type of transaction you want to make

**Step 4:** Provide verification through fingerprint/iris scan

**Step 5:** Collect your receipt

### Working of AEPS

The AEPS machine works like a Point of Sale (POS) machine. Instead of a debit/credit card pin, the merchant will have to key in the customer's Aadhaar number and authenticate the transaction using the customer's biometric data.

### Requirements for AEPS transactions:

- Bank's Issuer Identification Number (IIN) or name
- Aadhaar Number
- Fingerprint

### Exercise:

1. Write short notes on following:
  - a. Unified Payment Interface (UPI)
  - b. Aadhaar Enabled Payment System(AEPS)

