

India, Singapore launch real-time payments link

First such collaboration for India; UPI-PayNow linkage world's first to feature cloud-based infrastructure

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In the first such collaboration for India, the country's flagship payments platform, the Unified Payments Interface (UPI), and Singapore's PayNow payment system have launched a real-time cross-border payment linkage system.

The linkage, which was launched by Prime Minister (PM) Narendra Modi and Singapore's PM Lee Hsien Loong on Tuesday, was kicked off by a live cross-border transaction between Reserve Bank of India

Governor Shaktikanta Das and Monetary Authority of Singapore Managing Director Ravi Menon, using mobile phones.

The linkage will enable users to transfer funds held in bank accounts or e-wallets to and from India using only the UPI ID, mobile number, or Virtual Payment Address (VPA), the RBI said.

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"MANY EXPERTS ARE ESTIMATING THAT VERY SOON INDIA'S DIGITAL TRANSACTIONS ARE GOING TO OVERTAKE CASH TRANSACTIONS"

Narendra Modi
Prime Minister



ILLUSTRATION: BINAY SINHA



'CHEAPER, FASTER, SAFER'

- ▶ Linkage will enable users to send funds via UPI ID, mobile number or VPA in real time
- ▶ Initially, Indians can remit up to ₹60,000 in a day

▶ SBI, IOB, Indian Bank, ICICI, Axis, DBS India to handle remittances

- ▶ Singapore users can avail of the service via DBS Singapore, Liquid Group
- ▶ Over 400,000 Indians reside in Singapore; annual cross-border remittances are more than \$1 bn

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Initially, Indian users can remit up to ₹60,000 (approximately 1,000 Singapore dollars) a day.

“From today onwards, the people of Singapore and India will be able to transfer money across the border using their mobile phones in just the same way they have been doing in their respective countries. This facility will provide a low-cost and real-time option for cross-border remittances between our two countries. The people who will especially benefit from this are migrant workers, professionals, students, and their families,” Modi said via videoconference.

“The UPI is the most preferred payment mechanism in India. That is why today, many experts are estimating that very soon India’s digital wallet transactions are going to overtake

cash transactions,” he said. More than 400,000 Indians reside in Singapore and the annual cross-border retail payments and remittances between the two countries amount to over \$1 billion, Loong said. Apart from marking India’s maiden cross-border real-time, person-to-person payments linkage, the partnership between the UPI and PayNow marks the world’s first to feature cloud-based infrastructure and participation by non-bank financial institutions. The RBI, the Monetary Authority of Singapore, the NPCI International Payments Ltd, Banking Computer Services Pte Ltd, participating banks as well as non-bank financial institutions worked together to create the linkage. In 2018, Singapore’s Network for Electronic Transfers worked with NPCI International Payments Ltd to allow card and QR code payments between the two countries.

“The idea of linking PayNow and the UPI was first conceived in 2018 when PM Modi visited Singapore. The PayNow-UPI linkage will offer cheaper, faster, and safer cross-border retail payments and remittances for businesses and individuals alike directly between bank accounts or e-wallets,” Loong said.

To begin with, State Bank of India, Indian Overseas Bank, Indian Bank, and ICICI Bank will facilitate the remittances — both inward and outward — while Axis Bank and DBS India will facilitate the inward remittances. Users in Singapore can avail of the service through DBS-Singapore and Liquid Group, which is a non-bank financial institution. Over time, more banks will be roped in for the linkage, the RBI said.

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