

**Consultation Paper**  
**on Draft Circular for**  
**Safe and Efficient Transfers on UPI**

## 1. Background

1.1. SEBI introduced usage of Unified Payments Interface (UPI) as a mode of payment in the securities market for the first time in 2019. The successful experience and efficiency brought by UPI resulted in its inclusion in various other processes as well. However, over the years, many unregistered entities have misled investors by unauthorized collection of money, which is mostly siphoned-off for their personal gains. There is a need to proactively restrict their proliferation and thereby enable investors to identify SEBI registered market intermediaries and make requisite payments to them in a more legitimate, convenient, and efficient way.

## 2. Objective

2.1. It is envisaged to create a unique Unified Payments Interface ('UPI') address for collection of money by SEBI investor facing registered market participants/intermediaries ('Registered Intermediaries'). This unique UPI address will help investors ensure that their payments are reaching only to SEBI registered intermediaries. As a corollary, this would also help investors identify, isolate and avoid unregistered entities, who will not have access to this unique UPI handle.

2.2. The consultation on draft circular is being sought pursuant to a series of discussions in the Market Data Advisory Committee ('MDAC') and Intermediary Advisory Committee ('IAC') of SEBI, and other stakeholders, including National Payments Corporation of India ('NPCI'), with a view to conceptualize structured UPI address being proposed in the ensuing paragraphs.



### 3. Public Comments:

- 1.1. Draft Circular on “Safe and Efficient Transfers on UPI” is placed at **Annexure I**. Public comments are invited on the Draft Circular and suggestions along with supporting rationale from all interested stakeholders including individual investors, market participants and intermediaries, investor’s associations etc. on the proposals as at **Para 7.1** in the following format:

Name of entity/ person/ organization:			
Contact Details:			
Category: (whether market intermediary/ participant or public (investor, academician etc.))			
S.No.	Proposal	Suggestions	Rationale

- 3.1. The comments/ suggestions should be submitted latest by **February 21, 2025**, through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

- 3.2. In case of any technical issue in submitting your comment through web based public comments form, you may write to [depaconsultation@sebi.gov.in](mailto:depaconsultation@sebi.gov.in) with the subject:

**“Public comments on Draft Circular - Safe and Efficient Transfers on UPI”**

**Encl: Annexure-1**

DRAFT CIRCULAR

SEBI/HO/DEPA/SRG/CIR/2025/XX

To

Investor Facing Intermediaries, Self-Certified Syndicate Banks, MIs and RTAs

Dear Sir/Madam,

Subject – Safe and Efficient Transfers on UPI

**1. Proposed Mechanism for payment collection by SEBI registered intermediaries**

1.1. In view of the significant advances in the payment mechanisms and in its continuous endeavor to make the securities market more accessible and safer to investors, a need was felt to put in place a structured UPI address for intermediaries registered with SEBI. The payment made to the registered intermediaries through the proposed mechanism shall also provide certainty to investors regarding the registration status of the entity collecting the payments. It will also instill confidence among investors that payments are being made to a SEBI registered intermediary and will motivate them to approach only registered intermediaries for all their investment related needs.

1.2. The operational procedure to implement the above proposal is explained below. Further, a flowchart depicting the process and decisions needed to perform for allocation of UPI IDs is placed at **Annexure A**.

**2. Structure of the Proposed UPI Handle**

2.1. A UPI address (UPI ID) is typically made up of a Username and a handle, separated by an "@" symbol. In the proposed mechanism, Username will be an alphanumeric ID that will be generated for the user while the handle used will be a unique identifier linked to the bank of the registered intermediaries. The same has been illustrated below with examples:

- i. Username: An intermediary may select a username that is readable and relatable to them as per their presence in the various segments of the

securities market, which will be followed by an abbreviation representing their segment.

**For example:** abc.bkr for brokerage business and abc.mf for their presence in mutual funds space.

The list of abbreviations for UPI Username Suffix segregated as per the Intermediary Type is placed at **Annexure B**. Further, a software utility has been created, which will be used to generate Usernames as per the details described in **Annexure E**. These Usernames can only be generated using this utility.

- ii. **UPI Handle:** In order to make it convenient for investors to identify, the aforementioned UPI IDs of securities market shall use a unique easily relatable handle combined with a bank name. It is proposed to choose the handle name as “@payright”, which will then be combined with the bank name. The list of other handle names which were considered before proposing “@payright” is also placed at **Annexure C**. The self-certified syndicate banks as mentioned in **Annexure D** will have their own “@payright” handle, which will be allocated by NPCI.

Accordingly, continuing with the example in point (i), the complete handle, say for a registered broker and mutual fund, will respectively look like: abc.bkr@payrighthdfc, abc.mf@payrighthdfc

- 2.2. For the payments made to registered market intermediaries, through the above UPI handle, it is proposed to use thumbs-up icon inside a green triangle, as depicted below:



It is envisaged that the above icon will further ascertain that the payments are being made to the verified registered market intermediaries and at the same time its absence would caution investors of the risk in making payments to unauthorised entities.

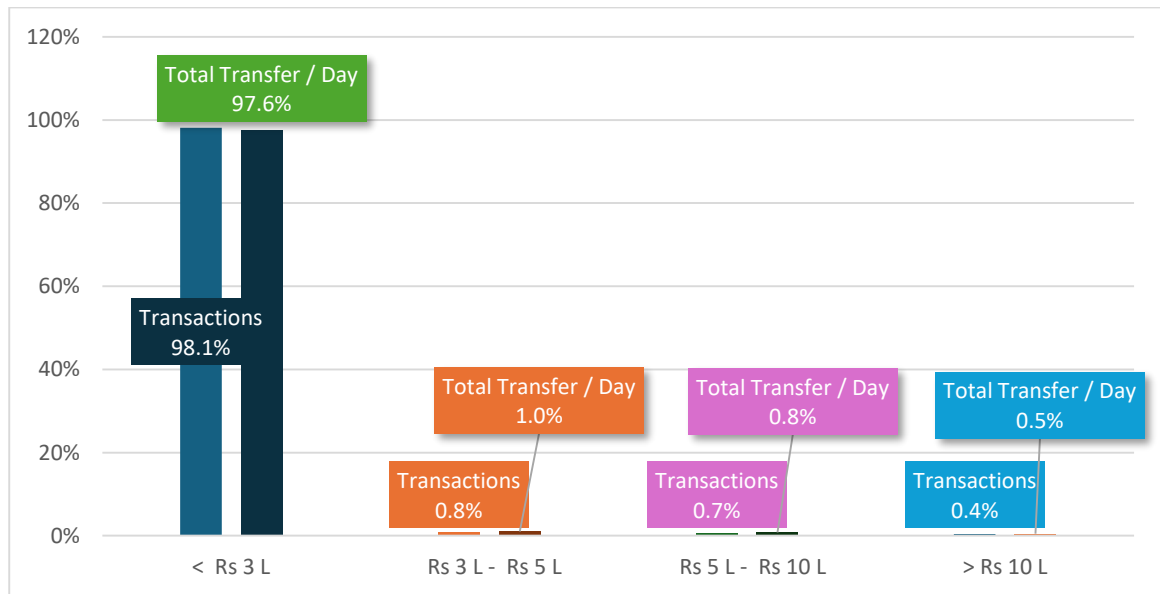
### 3. Transaction Limits and Implementation Cost for Proposed Mechanism

- 3.1. UPI, being a retail product, has certain transaction limits. Each app and bank imposes its own limits; however, upper limits are set by the NPCI. At present, this limit for capital market transactions is Rs 2 lakh per day. In order to evaluate that whether the current limits are sufficient or there is a need to increase the UPI limits for securities market transactions, an analysis of UPI

transactions was carried out for the transactions made by the clients of top brokers wherein the following two approaches were considered (**Chart 1**):

- i. Trends in fund transfer done by investors to their members
- ii. Trends in number of clients w.r.t fund transfer done during the day

**Chart 1: Aggregate level distribution of single transactions made by an investor and total amount transacted by an investor during the day**



Note: "Individual Transactions" means the amount of individual transactions made by an investor. Since an investor can make multiple transactions during the day, the same was also analysed and accordingly presented as "Total Transfer / Day".

In the above analysis it was observed that, individual transactions below 1 lakh accounts for 92.9 percent of total transactions, transactions between 1 lakh to less than 2 lakh constitute 3.9 percent and transactions between 2 lakh to below 3 lakh constitute 1.3 percent. For total transactions during the day" by an investor, these figures were 91.5, 4.6 and 1.6 percent respectively.

Accordingly based on the above analysis, it is proposed to set the upper limit of upto ₹5 lakh per day for capital market transactions done through UPI, which will be subject to further evaluations from time to time in consultation with NPCI.

3.2. The implementation of the proposed mechanism is unlikely to entail any major costs. The entire process involves four nodes i.e. SEBI, NPCI, Banks and Registered Intermediaries.

During various interactions, NPCI confirmed that issuance of new handles is an ongoing exercise for them. They regularly issue new UPI handles to new entrants and therefore, their systems are accordingly designed to accommodate such changes. Similarly, systems at respective banks are equipped to add new UPI handles issued by NPCI. Once these handles are ready, the bank can begin issuing new handles to intermediaries who are their clients. The issuance process would be similar to mapping a new handle to the existing accounts of clients.

Further, the investor facing intermediaries will have to approach their bank to obtain the new UPI IDs. The OTP then issued by banks, using the SEBI Intermediary (SI) Portal, will automatically facilitate allocation of the UPI IDs to the verified SEBI investor facing intermediaries.

#### 4. Issuance of new UPI Handle

4.1. Enabling the Banks: In order to allocate the handles to the banks, NPCI will make the necessary changes in their system, post which banks will be required to allocate UPI IDs to SEBI registered intermediaries as and when they approach their syndicate bank. Intermediaries will be able to use their existing bank accounts to obtain the proposed UPI IDs from the banks and new bank accounts need not be necessarily created. Further, only the self-certified syndicate banks as mentioned in Annexure D will be allocated “@payright” handles by NPCI.

4.2. Authentication of Intermediaries: Once the banks are enabled to allocate UPI IDs, the banks are required to use the SI Portal and follow the below step for validating the intermediaries:

OTP Authentication: Through the SI portal, a SEBI registered intermediary will receive a one-time password (OTP) on their registered mobile number and email address, which will be then used by banks to check the authenticity of the intermediary.

Further along with the OTP, SEBI registered intermediaries will also receive a reference code on their registered mobile number and email address, which will serve as an additional checkpoint to authenticate the intermediary.

The above OTP is checked through SI Portal, following which a confirmation is sent to respective banks for allotment of UPI handle. The

process flow of intermediary verification by self-certified syndicate banks is described in **Annexure G**.

## **5. Responsibilities of Investor Facing Intermediaries, Self-Certified Syndicate Banks, MIs and RTAs**

### **5.1. Investor Facing Intermediaries**

The investor facing intermediaries enlisted in **Annexure B** are required to take note of the following:

- 5.1.1. To ensure that mobile number and email address of respective intermediaries are updated in the SI Portal. To begin with, it is proposed that only one UPI ID will be allowed to be linked to a business account of an intermediary. However, an intermediary is free to have multiple business accounts, and each account can have its own unique UPI ID.
- 5.1.2. The Registered intermediaries need to obtain new UPI IDs from the banks and they will be able to use the old handles in parallel for the duration as specified in **Section 6**, post which they will be discontinued.
- 5.1.3. The ongoing Mutual Funds SIPs will continue to remain in force so as to avoid any disruption. However, new SIPs and renewal or extension of existing SIPs must be done using the new UPI IDs only.
- 5.1.4. To conduct investor awareness programs through modes like SMS and e-mail communications, social media posts, audio-visual communications, prominent display on websites etc. in order to empower investors with the detailed information about the presence of a unique UPI handle for payments to SEBI registered intermediaries. A few examples in this regard have been placed at **Annexure F**.

### **5.2. Self-Certified Syndicate Banks**

- 5.2.1. To obtain API access which will function as per the details provided, and to issue the UPI ID only after verification using the utility as shown in **Annexure E**.
- 5.2.2. To do proper due diligence while issuing the UPI IDs as per the procedure described in **Section 4**.

### **5.3. MIs and RTAs**

- 5.3.1. To conduct investor awareness programs through modes like SMS and e-mail communications, social media posts, audio-visual communications, prominent display on websites etc. in order to empower investors with the detailed information about the presence of a unique UPI handle for payments to SEBI registered intermediaries.



5.3.2. To create awareness about this new mechanism through standard template based communications, which may include one-liner SMS, e-mail communications and FAQs for investors on their respective websites. A few examples in this regard have been placed at **Annexure F**.

## 6. Activity-wise Timelines

Activity	Date
Allocation of UPI IDs by the Banks	DD-MM-YYYY
Discontinuation of Allocation of UPI IDs by the Banks	DD-MM-YYYY + 1 month
Discontinuation of old UPI IDs	DD-MM-YYYY + 3 months
Investor Education for the Use of New UPI IDs by Registered Intermediaries, RTAs, Investor associations etc.	DD-MM-YYYY + 45 Days

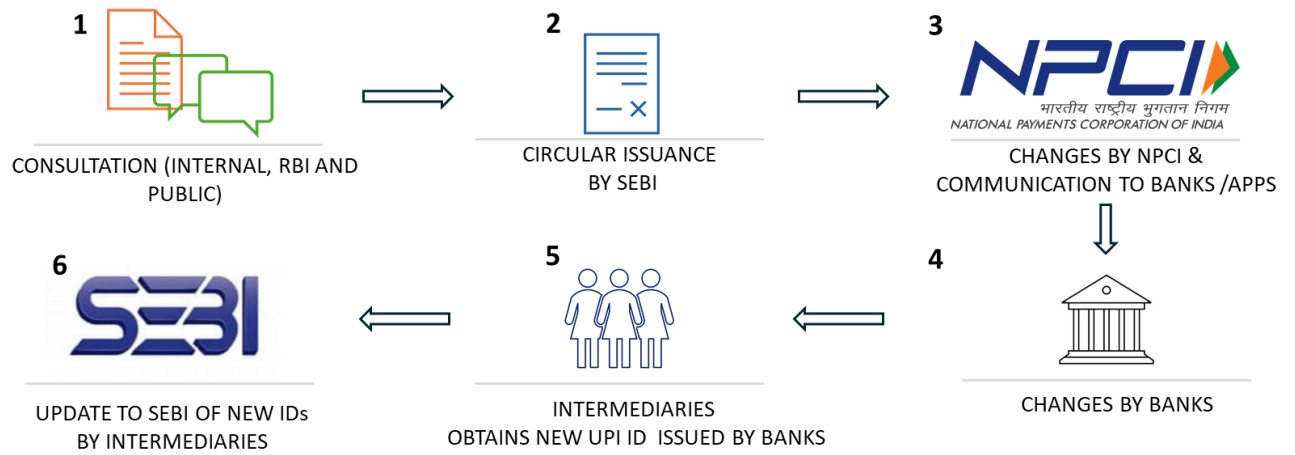
## 7. Public Comments

7.1. Comments from public is hereby invited on the following proposals:

- i. Whether the proposed mechanism of dedicated UPI Handle as a payment mode, along with the prescribed limits, adequate to cater to the majority of the investor base?
- ii. Whether the name of the proposed UPI handle (i.e. @payright as mentioned in Para 2 above) is appropriate and resonates well with the investors?
- iii. Whether creation and awareness of the structured UPI address will make investors more cautious thereby reducing chances of investors approaching unregistered entities for availing investment related services?
- iv. Whether any additional information is required to be captured in the proposed mechanism to make it more efficient and user friendly?
- v. Whether the proposed mechanism should be made applicable to registered intermediaries other than the ones enlisted in **Annexure B**?
- vi. Whether the banks (other than self-certified syndicate banks listed in **Annexure D**) should be allowed to issue UPI IDs to registered intermediaries?
- vii. Any other suggestion for smoother implementation of the process?

**Annexure A**

**Process Flow for allocation of UPI Handles**



**Abbreviations for UPI Username Suffix**
**1. Investor Facing Intermediaries**

<b>S.No.</b>	<b>Intermediary Type</b>	<b>Username Suffix</b>
1.	Stock Brokers across Segment	brk
2.	Banker to an Issue	bti
3.	Depository Participants across depositories	dp
4.	Research Analyst	ra
5.	Investment Adviser	ia
6.	Infrastructure Investment Trusts	invit
7.	Mutual Funds	mf
8.	Portfolio Managers*	pms
9.	SM REITs	sreit
10.	Real Estate Investment Trust	reit
11.	Alternative Investment Funds including Venture Capital Funds	aif
12.	List of mobile applications for using UPI in Public Issues	app

*\*Note: As it is proposed to set the upper limit of upto ₹5 lakh per day for capital market transactions done through the proposed UPI handle, the payments made to registered Portfolio Managers will be limited only to the acceptance of the fee and not the principal amount.*

## Annexure C

**List of other handle names which were considered**

S.No.	Handle	Examples with Bank Name	Example for ABC Broker
1	@validpay	@validpayicici ,@validpayhdfc	<a href="mailto:abc.brk@validpayicici">abc.brk@validpayicici</a>
2	@validinvest	@validinvesticici ,@validinvesthdfc	<a href="mailto:abc.brk@validinvesticici">abc.brk@validinvesticici</a>
3	@invest	@investicici ,@investhdfc	<a href="mailto:abc.brk@investicici">abc.brk@investicici</a>
4	@trustedpay	@trustedpayicici ,@trustedpayhdfc	<a href="mailto:abc.brk@trustedpayicici">abc.brk@trustedpayicici</a>

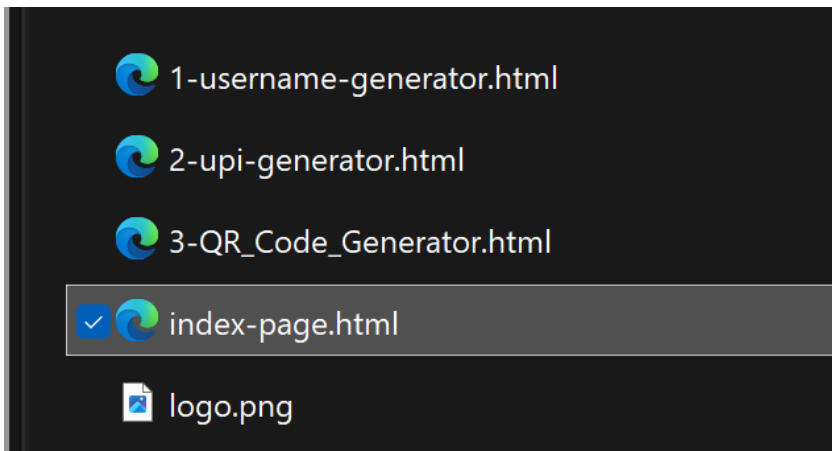
**List of Self-Certified Syndicate Banks Eligible to Issue UPI IDs**

1. Axis Bank
2. Bandhan Bank Limited
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. CSB Bank
8. Central Bank of India
9. City Union Bank Ltd.
10. DCB Bank
11. Dhanlaxmi Bank Limited
12. Federal Bank Limited
13. HDFC Bank Limited
14. HSBC Bank
15. ICICI Bank Limited
16. IDBI Bank Limited
17. IDFC First Bank
18. Indian Bank
19. Indian Overseas Bank
20. IndusInd Bank Limited
21. Jammu and Kashmir Bank Ltd
22. Karnataka Bank Limited
23. Karur Vysya Bank Limited
24. Kotak Mahindra Bank Limited
25. Punjab & Sind Bank
26. Punjab National Bank
27. RBL Bank Limited
28. South Indian Bank
29. State Bank of India
30. Tamilnad Mercantile Bank Ltd.
31. UCO Bank
32. Union Bank of India
33. Yes Bank Limited

**Guide to Username, UPI ID and QR Code Generation Utility**

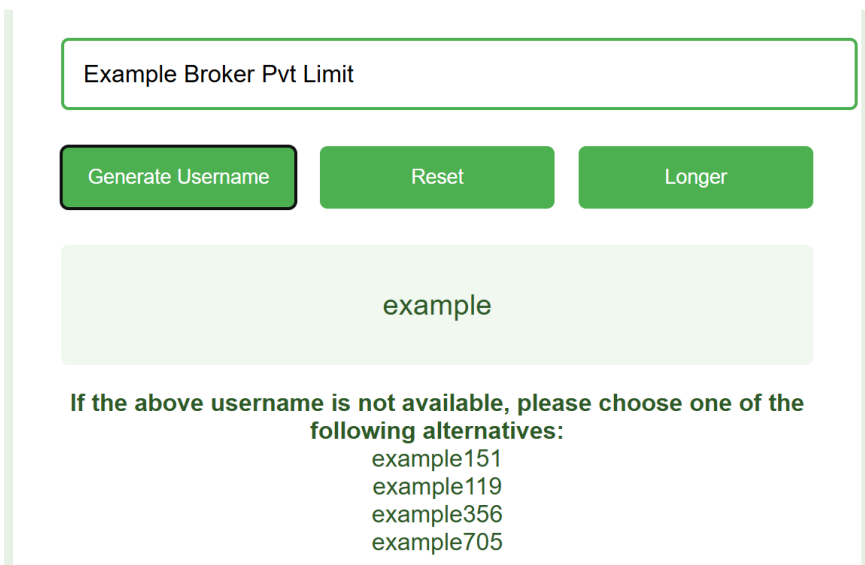
The following steps provides the details to create a Username, UPI ID and QR Code. Step 1-3 are applicable for Banks to create Username and UPI ID. Step 4 will be used by SEBI Registered Intermediaries to Generate QR Code.

**STEP 1: OPEN UTILIY**



Extract the zip file in a folder and open the “index-page” file

**STEP 2: GENERATE USERNAME**



Banks have to enter the registered intermediaries’ business name as per the SEBI registration certificate and click on "Generate." Copy the name and if not available,

then use one of the alternatives generated by the utility as per the preference of the intermediary.

### STEP 3: GENERATE UPI HANDLE

Username

Category

Bank

Your UPI Handle  
example151.brk@payrighthdfc

Copy and paste the username from the **Step 2**, select the registered category, choose the bank, and click on "Generate."

### STEP 4: GENERATE QR CODE (Applicable for Registered Intermediaries)

logo.png



UPI ID: example151.brk@payrighthdfc

Copy and paste the UPI Handle from **Step 3**. Click on "Choose File" and select "logo.png" file and then click on "Generate." Click on "Download QR Code" to download the file. The logo file places a thumbs-up icon at the center of the QR code.



## **Examples for Standard Template Based Communications**

### **Examples for Digital Communications**

- i. "We have a new UPI ID for payment, please prefer to pay us at <<New UPI ID>>."
- ii. "We got a new UPI handle <<New UPI ID>>."

### **Examples for Print Communications**

- i. "We are using a new UPI ID for payment, please prefer to pay us at <<New UPI ID>>."
- ii. "Market has new UPI IDs, please prefer to use them for convenience, speed, and transparency. Click here for more details."
- iii. "Market has new UPI IDs, visit our website to know more."

## **Frequently Asked Questions (FAQs)**

### **INTERMEDIARIES**

#### **Q. Is it compulsory for the intermediaries to obtain these new UPI IDs?**

**Ans.** Yes, it is mandatory for all intermediaries to obtain a new UPI handle and report the same to SEBI / MIs through their respective logins. The intermediaries also need to make the investors aware about the new handle and offer it as one of the payment option to them.

#### **Q. What will happen to the payments done through existing UPI IDs of the intermediaries?**

**Ans.** The intermediaries will have to stop accepting payments using the current UPI IDs. However, the ongoing mutual funds SIPs will continue to remain in force so as to avoid any disruption. The new SIPs and renewal or extension of existing SIPs must be done using the new UPI IDs only.

#### **Q. Is it compulsory to generate a QR code?**

**Ans.** It is advisable to generate a QR code with the "thumbs up" logo in the middle for the convenience of investors, as scanning a QR code is more convenient and reliable.

## **INVESTORS**

**Q. Is it compulsory for the investors to use the new handle only?**

**Ans.** The investors have the right to choose their preferred mode of payment, such as UPI, IMPS, NEFT, RTGS, or Cheques. If an investor opts to use UPI for the payment to registered intermediaries, then they have to do so only using the new UPI IDs allotted to registered intermediaries.

**Q. What should I check while making payment using the new UPI IDs/ QR Code?**

**Ans.** Investors need to keep following things into consideration:

1. The UPI ID should properly show the name of the intermediary, followed by the short abbreviation of their category to the left of the “@” character.
2. On the right side of the “@”, the new and exclusive handle “@payright” should be present, followed by the bank name.
3. On the confirmation screen, the app should show a white thumbs-up icon inside a green triangle.
4. The QR code generated using the utility will have a white thumbs-up icon inside a green triangle. It will also display the new UPI ID just below the QR code.

**Q. Do investors also need to obtain new UPI handles to transact in the securities market?**

**Ans.** No, the new UPI IDs are only for intermediaries to obtain and investors can continue to use their existing UPI IDs.

**Q. Whom to approach if my transaction/payment fails with the new UPI ID?**

**Ans.** The new UPI ID of intermediaries will use the same resources as the earlier generic UPI handles. In case of any technical difficulty, investors are requested to approach their respective bank.

**Q. What is the difference between the Fee and the Principal amount being transferred to an intermediary?**

**Ans.** A fee is the money you pay someone to manage your investments or to provide any other associated service, whereas the principal is the actual amount being invested.

**BANKS**

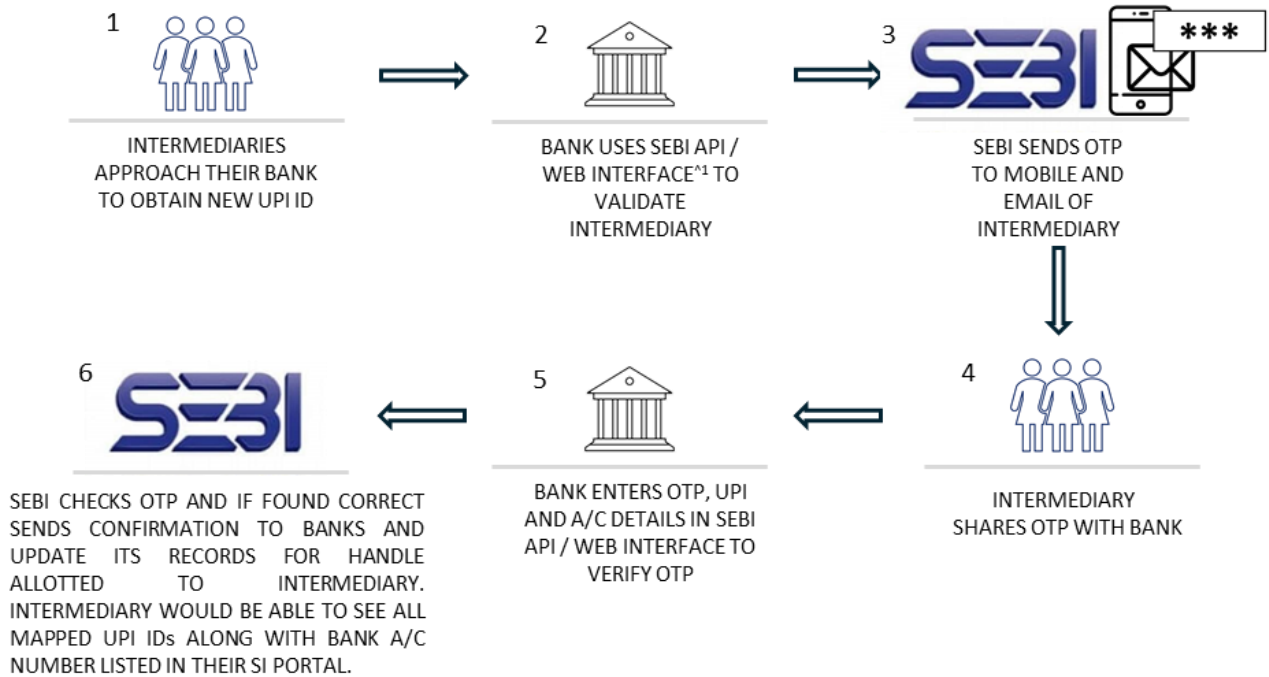
**Q. How to generate the UPI ID for customers/clients?**

**Ans.** Once the systems are ready to issue the new IDs, you are expected to refer to the details mentioned in **Annexure E** on the process of generating a username and UPI ID.

**Q. Is it compulsory to use the provided utility for generating Username and UPI ID?**

**Ans.** Yes. The username should be created using the utility as it will ensure that the username matches with the business name provided by the registered intermediary and as a result the investors will be able to easily identify the intermediary.

**Process Flow of Intermediary Verification by Self-Certified Syndicate Banks**



**NOTES:**

<sup>^1</sup> (WEB INTERFACE) A WEB INTERFACE WILL ALSO BE MADE AVAILABLE BY SEBI TO BANKS FOR INTERMEDIARY VALIDATION SHOWN BETWEEN STEP 2 TO 6 ABOVE. THE WEB INTERFACE WILL FUNCTION THE SAME WAY THE API WILL WORK WITH THE SAME PARAMETERS AND AUTHENTICATIONS. THE OBJECTIVE HERE IS TO KEEP THE COST MINIMUM FOR THE BANKS TO DEVELOP THE API AND ALSO TO EXPEDITE THE IMPLEMENTATION. THE BANKS WOULD BE FREE TO USE WEB BASED INTERFACE OR API INTEGRATION TO THEIR MAIN SYSTEM OR BOTH AS PER THEIR PREFERENCE.