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# India, Singapore link digital payment systems

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MUMBAI: India and Singapore on Tuesday linked the Unified Payment Interface (UPI) network with Singapore's PayNow, enabling instant fund transfers between users in both countries, at a much lower cost than going through banks.

"The launch of UPI-Pay Now Link today is a much-awaited gift to the citizens of both countries. With this facility, a cheaper and real-time option for remittances between the two countries would be possible. This will especially benefit our overseas brothers and sisters, professionals, students and their families," PM Narendra Modi said at the launch event with his Singaporean counterpart Lee Hsien Loong and central bankers from both countries.

The link will enable Indians to transfer up to Rs 60,000 a day (SGD 1,000) with similar mechanism in the pipeline for transactions with other countries. Cross-border retail payments and remittances between Singapore and India are estimated at over \$1 billion annually.

RBI deputy governor T Rabi Sankar said that linking fast payment networks across borders was part of the G20 agenda to bring down costs of cross-border remittances. He said that currently, the transfers happen through banks, but attract a certain cost and take time because India is a country with capital controls. Such linkages, he added, would make transfers more efficient and cheaper.

With the link in place, money in bank accounts or e-wallets can be transferred using UPI-ID, mobile number, or Virtual Payment Address (VPA)

The government has been pushing UPI as the tool for digital transactions and Modi on Tuesday said 2022 saw 7,400 crore transactions worth Rs 125 lakh crore. "This shows how easily and securely India's UPI system handles large numbers," he said, while adding that some experts were predicting that volumes could surpass cash transactions in the coming years.

## HOW S'PORE-INDIA UPI WORKS

Indian residents can transfer to and from Singapore residents using UPI with the platform's integration with PayNow. Similarly, users of PayNow in Singapore can transfer funds from India. Such partnerships are likely to be extended to other countries as well. Here's how these global UPI payments will work...

### 1 For what purposes can the remittances be sent or received?

Currently, only person-to-person (P2P) remittances for "maintenance of relatives abroad" & "gift" are allowed

### 2 Who can send and receive transactions?

Accountholders of ICICI Bank, Indian Bank, Indian Overseas Bank and SBI can send and receive funds. Axis and DBS customers can receive funds

### 3 Which platforms or apps can be used?

Customers can use Axis Pay, Digibank, ICICI iMobile, IndOasis, BHIM IOB Pay and BHIM SBI Pay apps. One can also send money through

net banking in ICICI Bank and IOB, while Indian Bank and SBI have integrated UPI remittances on their apps too

### 4 Which are the participating entities in Singapore?

DBS Bank and Liquid group customers can receive funds using their mobile number



### 5 Will third-party UPI apps work for remittances?

Just the UPI ID registered with the bank where the account is held can be used. Participating banks will be rolling out an update in their respective UPI apps in a phased manner, and customers will have to update their UPI app to enable the global remittances feature

### 6 What is the current transaction limit?

There is a daily transaction limit of Rs 60,000 (around 1,000 Singapore dollars) currently for undertaking cross-border remittance transactions through the UPI-PayNow linkage

He also said that the Digital India campaign has provided a platform for unprecedented reforms in governance and public service delivery which has increased ease of living and ease of doing business. He said that Digital India has improved

connectivity and financial inclusion at unprecedented speed. He said that so far, the developments in fintech were limited to within the country's borders, but today's launch would open the doors for cross-border connectivity.

Modi recalled his statement five years ago, saying that Singapore was a celebration of fintech innovation and faith in youth. "Today, in the world of fintech, thousands of startups in India are proving their mettle. Due to this energy, today India is among the leading countries in the world in terms of real-time digital transactions," he said.

The Singapore PM said the idea of linking PayNow and UPI was first conceived in 2018, when Modi visited Singapore.

"As we progressively add more users and use cases, the PayNow-UPI linkage will grow in utility, and contribute more to facilitating our trade and our people-to-people links," Lee said.